

# **CAPE AGULHAS MUNICIPALITY**

## **MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2016/2017 TO 2018/2019**



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CAPE AGULHAS MUNICIPALITY  
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**ANNUAL BUDGET OF**

# **CAPE AGULHAS**

# **MUNICIPALITY**

**2016/17 TO 2018/19**

**MEDIUM TERM REVENUE AND**

**EXPENDITURE FORECASTS**

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# **Part 1 – Annual Budget**

## **1.1 Vision & Mission**

### **Our Vision**

To render continuous, sustainable effective services to all inhabitants and visitors in the area in order to create a healthy and safer environment for happy communities.

### **Our Mission**

“We the Cape Agulhas Municipality will strive to render the best affordable municipal services in a sympathetic manner to the whole area and its inhabitants in order to create a happy economic active and informed community.”

This will be achieved through:

- Enhanced service levels in the whole area
- Enhanced human development and health
- Sustainable development
- Effective financial management of municipal resources
- Institutional transformation

## **1.2 Mayor’s Report**

In terms Section 152 of the Constitution of the Republic of South Africa, the objectives of local government are as follows:

- a) To provide democratic and accountable government for local communities;
- b) To ensure the provision of services to communities in a sustainable manner;
- c) To promote social and economic development;
- d) To promote a safe and healthy environment; and
- e) To encourage the involvement of communities and community organisations in the matters of Local Government.

A municipality must strive, within its financial and administrative capacity, to achieve these objective set out in Section 152.

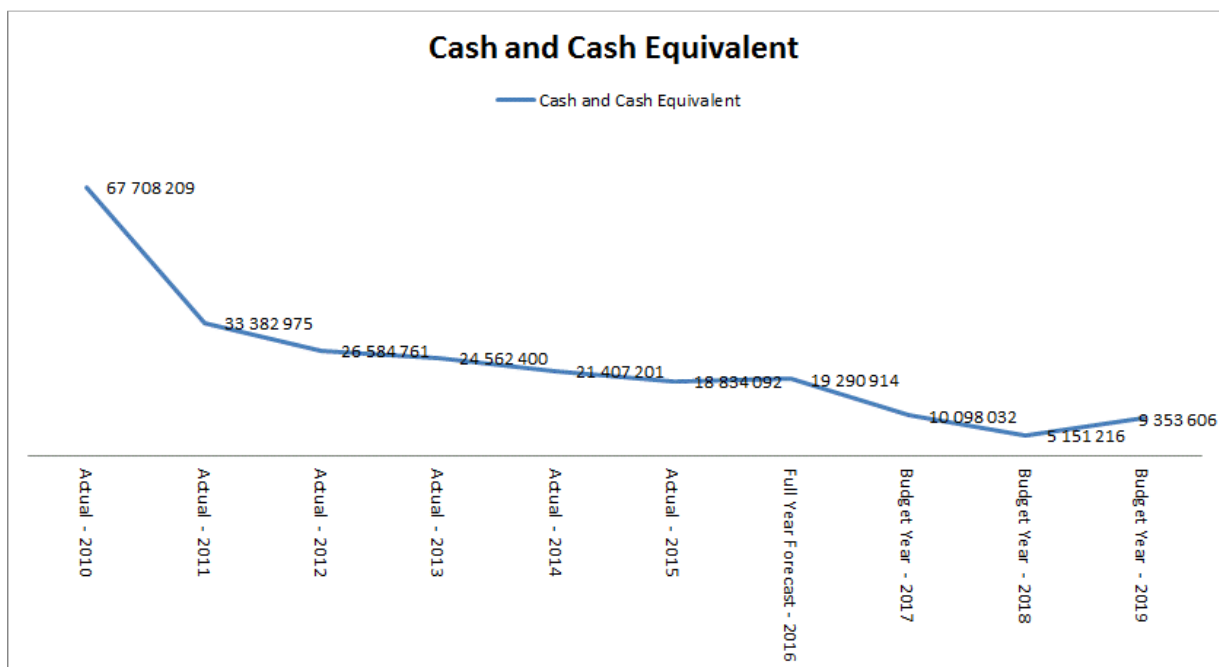
The concept of “Quality Services” versus “Financial and Administrative Capabilities” can never be separated from one another, as poor services will ultimately lead to financial difficulties, while delivering services above the financial and administrative capabilities will ultimately lead to service delivery issues. More commonly, this is referred to as “Council’s Balancing Act”.

Section 215 of the Constitution of the Republic of South Africa further requires that all National, Provincial and Municipal budgets and budgetary processes promote the following principles -

- Transparency;
- Accountability; and
- The effective financial management of the economy, debt and the public sector.

In order to fulfill the constitutional obligation towards the citizens of South Africa, sound financial principles and policies should be adopted and applied by municipalities at all times. Council should also recognise that the needs of our communities are endless and that these needs will always exceeds the financial capabilities of any municipality. Council is thus tasked with the enormous responsibility of striking the perfect balance between approving annual budgets that will ensure both financial sustainability as well as the delivery of high quality basic services at all times. Approving budgets that are not contributing towards the sustainability of the municipality will ultimately lead to service delivery issues.

Financial sustainability is largely influenced by the ability of the municipality to preserve, or even increase, cash resources. In recent years, the municipality have always been able to prepare a cash funded budget. The downward trend in cash is however always a concern. Refer to the graph below:



It is expected that the municipality will be able to curb the downward trend in cash resources by implementing the proposed budget for the 2016/2017 MTREF. This will done by cutting back on non-essential expenditure and also by the introduction of external borrowing into the funding mix of capital expenditure. Although these steps are considered very positive, the municipality should continuously explore further avenues, and even more cost cutting where possible, to further improve on the cash levels of the municipality.

South Africa is currently in the build-up towards the 2016 local government elections. All municipalities are encouraged to act towards ensuring financial sustainability. Now, more than

ever before, it is paramount for sound municipal decision-making so that long-term sustainability of municipal finances and service delivery is achieved beyond the election period.

The 2015 Medium Term Budget Policy Statement notes that the global economic outlook has been weaker than anticipated. Growth in developing economies has moderated in response to lower commodity prices, subdued domestic demand and reduced capital inflows. Growth in some developed economies has offset this slowdown. The South African economy is expected to grow by 1.5 per cent in 2015, 1.7 per cent in 2016 and 2.6 per cent in 2017. Domestic inflation is lower, largely as a result of declining oil prices. However, the depreciation of the Rand and the current drought gripping many parts of the country, however, pose some risk to the inflation outlook. Furthermore the electricity supply shortages pose the largest domestic risk to growth.

Persistent high unemployment remains one of South Africa's most pressing challenges. Difficult trading conditions and low business confidence levels have limited hiring during 2015. The formal sector lost 76 000 jobs, with sharp declines in manufacturing and construction, as well as community, social and personal services.

These economic challenges will continue to pressurise municipal revenue generation and collection hence a conservative approach is advised for projecting revenue. These circumstances make it essential for municipalities to reprioritise expenditure and implement stringent cost-containment measures.

To address these concerns, the following strategic goals are contained in the IDP of Cape Agulhas Municipality:

<b><i>Institutional Transformation and Organisational Development</i></b>	<b>Establishing a functional municipality that can deliver on the IDP priorities, implement policies that will facilitate transformation, effective staff structure, general management practises and training</b>
<b><i>Provision of Infrastructure for Basic Service Delivery</i></b>	Development and regular maintenance of bulk infrastructure such as roads, storm water networks, potable water networks, waste water treatment plants, land and integrated human settlements. Provision of quality basic services such as water, electricity, refuse removal and sanitation
<b><i>Economic Development</i></b>	To facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy to ultimately create decent job opportunities
<b><i>Financial Viability</i></b>	To implement sound financial management systems & procedures that will ensure the financial viability of Cape Agulhas Municipality Prepare a budget and exercise effective asset management over the resources of the municipality
<b><i>Good Governance</i></b>	To provide an administration that ensures public participation in a transparent and accountable way as well as to promote intergovernmental relations Promote service excellence and a corruption free environment
<b><i>Human Development</i></b>	To facilitate the holistic development of people, expand the safety net for vulnerable groups and implement sustainable programmes to improve their livelihoods

The Integrated Development Plan (IDP) is a 5 year strategic developmental plan, setting strategic and budget priorities as required in terms of the Municipal Systems Act of 2000. It is a plan to help us set our budget priorities, so in essence it indicates how Cape Agulhas Municipality will spend its money for the next five years. The IDP should be aligned with the development plans of provincial and national government, and is agreed upon between Cape Agulhas Municipality and the residents during the public participation process. Therefore the IDP enables Cape Agulhas Municipality to make the best use of scarce resources and it also enables the councillors to make decisions based on the needs and priorities of their communities.

With the IDP, Cape Agulhas Municipality can:

- Develop a clear vision
- Identify its key development priorities
- Formulate appropriate strategies
- Develop the appropriate organisational structure and systems
- Align resources with development priorities

In view of the aforementioned, the following table is a consolidated overview of the proposed 2016/17 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Operating Overview of the 2016/17 MTREF (R'000)**

R thousand	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Total Operating Revenue	234 198	278 599	297 887	321 247
Total Operating Expenditure	254 869	297 385	312 667	331 840
<i>Surplus/(Deficit) before capital transfers</i>	(20 671)	(18 786)	(14 780)	(10 594)
Transferred Recognised Capital	13 930	11 931	11 833	11 666
<i>Surplus/(Deficit) for the year</i>	(6 741)	(6 855)	(2 948)	1 072

**Table 2 Consolidated Capital Overview of the 2016/17 MTREF (R'000)**

R thousand	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital Expenditure - Standard</b>				
<i>Governance and administration</i>	1 668	3 298	1 508	658
<i>Community and public safety</i>	7 433	3 423	3 403	1 315
<i>Economic and environmental services</i>	4 962	9 737	10 755	7 605
<i>Trading services</i>	11 448	8 174	13 210	9 720
<b>Total Capital Expenditure</b>	<b>25 512</b>	<b>24 632</b>	<b>28 875</b>	<b>19 298</b>

### 1.3 Council Resolutions

It is recommended that the Council approves and adopts the following resolutions for the annual budget:

The Council of Cape Agulhas Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- 1.1. The annual budget of the municipality for the financial year 2016/17 and the multi-year and single-year capital appropriations as set out in the following tables in part 1.8 of this report
  - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
  - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
  - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4; and
  - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables in part 1.8 of this report:
  - 1.2.1. Budgeted Financial Position as contained in Table A6;
  - 1.2.2. Budgeted Cash Flows as contained in Table A7;
  - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
  - 1.2.4. Asset management as contained in Table A9; and
  - 1.2.5. Basic service delivery measurement as contained in Table A10.
2. The Council of Cape Agulhas Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2016:
  - 2.1. the tariffs for property rates – as set out in Annexure A,
  - 2.2. the tariffs for electricity – as set out in Annexure A
  - 2.3. the tariffs for the supply of water – as set out in Annexure A
  - 2.4. the tariffs for sanitation services – as set out in Annexure A
  - 2.5. the tariffs for solid waste services – as set out in Annexure A
3. The Council of Cape Agulhas Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2016 the tariffs for other services, as set out in Annexure A.



## 1.4 Executive Summary

Cape Agulhas Municipality is very proud of the achievements reached in recent years. Not only have we managed to achieve 2 consecutive clean audits (2013/2014 and 2014/2015 financial years), we have also managed to maintain the delivery high quality services to the residents in the municipal area through tough economic times.

Based on population size, Cape Agulhas Municipality is one of the smallest municipalities in the Western Cape. Thus, the municipality have a limited consumer base from which to recover the cost of providing these high quality services. It is from paramount importance that the municipality incorporate the following principles into policies and procedures of the municipality:

- Avoid excessive increases in rates and tariffs. Excessive increases will not necessarily lead to a significant increase in revenue due to the limited consumer base. On the contrary, excessive increases could potentially lead to a decrease in the recovery rate of receivables which is currently very healthy at 97.1%.
- Capital and Operating Expenditure can be controlled by the municipality. Where possible, expenditure should be reduced to levels that are within the financial capabilities of the municipality.
- External Borrowings is considered a viable capital funding source. Incorporating external loans (within limits) into the capital funding mix can both speed up the eradication of infrastructure backlogs and also contribute to the long term sustainability of the municipality.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2016/17 Medium-term Revenue and Expenditure Framework:

**Table 3 Consolidated Overview of the 2016/17 MTREF (R'000)**

R thousand	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Total Operating Revenue	234 198	278 599	297 887	321 247
Total Operating Expenditure	254 869	297 385	312 667	331 840
<i>Surplus/(Deficit) before capital transfers</i>	(20 671)	(18 786)	(14 780)	(10 594)
Transferred Recognised Capital	13 930	11 931	11 833	11 666
<i>Surplus/(Deficit) for the year</i>	(6 741)	(6 855)	(2 948)	1 072

As can be seen from the above, the municipality will operate at an operating deficit throughout the MTREF. Although it proposed that the deficit will decline over the MTREF, the municipality should explore further areas to cut back on expenditure.

The following vote structure will be employed over the MTREF. This vote structure was introduced in the prior year and has remained unchanged, except for Building Control and Town Planning now allocated to separate departments:

<b>Executive and Council</b>	<b>Infrastructure</b>	<b>Budget and Treasury Office</b>	<b>Corporate Services</b>	<b>Community and Social Services</b>	<b>Electricity</b>
Municipal Manager Council General Expenses Office of the Municipal Manager Strategic Planning and IDP Internal Audit Risk Management	Administration Workshop Streets & Stormwater Water Sewerage & Sanitation Solid Waste	Finance Supply Chain Management Revenue Management Expenditure Management Budget and Treasury Office	Corporate Services Human Resources Town Planning Building Control Information Technology Client Services Administrative Support Services	Library Vehicle Testing Station Protection Services Environmental Services Beaches & Public Amenities Parks and Sports Facilities Cemetery Buildings and Commonage Public Services Housing Social Development Administration Traffic	Electricity

In line with the proposed vote structure, the following revenue (excluding capital transfers) is appropriated to each vote (as illustrated below).

	2016/2017			2017/2018			2018/2019		
	Revenue	Expenditure	Surplus/ (Deficit)	Revenue	Expenditure	Surplus/ (Deficit)	Revenue	Expenditure	Surplus/ (Deficit)
<b>Executive and Council</b>	<b>15 373 100</b>	<b>18 464 910</b>	<b>-3 091 810</b>	<b>17 169 000</b>	<b>18 910 984</b>	<b>-1 741 984</b>	<b>18 923 600</b>	<b>19 849 591</b>	<b>-925 991</b>
Municipal Manager	-	2 486 800	-2 486 800	-	2 607 800	-2 607 800	-	2 737 200	-2 737 200
Council General Expenses	15 373 100	10 949 000	4 424 100	17 169 000	11 048 300	6 120 700	18 923 600	11 531 800	7 391 800
Office of the Municipal Manager	-	633 400	-633 400	-	673 700	-673 700	-	699 000	-699 000
Strategic Planning and IDP	-	2 501 600	-2 501 600	-	2 681 100	-2 681 100	-	2 873 300	-2 873 300
Internal Audit	-	1 506 900	-1 506 900	-	1 550 800	-1 550 800	-	1 645 400	-1 645 400
Risk Management	-	387 210	-387 210	-	349 284	-349 284	-	362 891	-362 891
<b>Infrastructure</b>	<b>54 524 199</b>	<b>62 248 079</b>	<b>-7 723 880</b>	<b>56 424 076</b>	<b>61 397 892</b>	<b>-4 973 816</b>	<b>59 447 349</b>	<b>64 551 682</b>	<b>-5 104 333</b>
Administration	2 696 486	4 232 500	-1 536 014	1 871 288	2 475 900	-604 612	1 938 300	2 653 500	-715 200
Workshop	-	1 120 900	-1 120 900	-	1 182 420	-1 182 420	-	1 248 065	-1 248 065
Streets & Stormwater	-	14 535 600	-14 535 600	-	14 281 710	-14 281 710	-	15 050 657	-15 050 657
Water	23 928 900	15 206 500	8 722 400	25 364 900	15 504 200	9 860 700	26 886 900	16 388 120	10 498 780
Sewerage & Sanitation	10 486 700	9 549 200	937 500	11 116 788	9 602 500	1 514 288	11 784 749	10 091 396	1 693 353
Solid Waste	17 412 113	17 603 379	-191 266	18 071 100	18 351 162	-280 062	18 837 400	19 119 944	-282 544
<b>Budget and Treasury Office</b>	<b>58 933 000</b>	<b>37 298 400</b>	<b>21 634 600</b>	<b>65 054 400</b>	<b>38 599 940</b>	<b>26 454 460</b>	<b>71 659 362</b>	<b>40 685 602</b>	<b>30 973 761</b>
Finance	855 000	5 944 900	-5 089 900	1 432 300	6 671 900	-5 239 600	1 849 362	7 123 375	-5 274 013
Supply Chain Management	20 000	2 488 800	-2 468 800	21 000	2 664 300	-2 643 300	21 800	2 853 800	-2 832 000
Revenue Management	56 003 500	11 859 700	44 143 800	61 620 400	11 259 250	50 361 150	67 799 400	11 731 609	56 067 791
Expenditure Management	2 054 500	3 109 420	-1 054 920	1 980 700	3 251 150	-1 270 450	1 988 800	3 414 809	-1 426 009
Budget and Treasury Office	-	13 895 580	-13 895 580	-	14 753 340	-14 753 340	-	15 562 009	-15 562 009
<b>Corporate Services</b>	<b>3 368 700</b>	<b>25 943 971</b>	<b>-22 575 271</b>	<b>3 295 600</b>	<b>27 179 237</b>	<b>-23 883 637</b>	<b>3 420 800</b>	<b>28 800 459</b>	<b>-25 379 659</b>
Corporate Services	-	1 602 100	-1 602 100	-	1 689 900	-1 689 900	-	1 781 000	-1 781 000
Human Resources	846 000	6 213 000	-5 367 000	787 500	6 415 200	-5 627 700	819 000	6 725 300	-5 906 300
Information Technology	-	4 105 561	-4 105 561	-	4 579 837	-4 579 837	-	5 099 859	-5 099 859
Client Services	-	3 529 400	-3 529 400	-	3 775 500	-3 775 500	-	4 041 400	-4 041 400
Administrative Support Services	1 631 000	4 919 500	-3 288 500	1 531 000	5 002 700	-3 471 700	1 531 000	5 377 500	-3 846 500
Town Planning	314 800	3 033 410	-2 718 610	343 200	2 779 600	-2 436 400	374 300	2 925 400	-2 551 100
Building Control	576 900	2 541 000	-1 964 100	633 900	2 936 500	-2 302 600	696 500	2 850 000	-2 153 500
<b>Community and Social Services</b>	<b>50 282 150</b>	<b>67 420 660</b>	<b>-17 138 510</b>	<b>58 341 300</b>	<b>76 453 720</b>	<b>-18 112 420</b>	<b>63 365 300</b>	<b>82 718 501</b>	<b>-19 353 201</b>
Library	4 872 350	4 910 500	-38 150	5 375 800	5 147 400	228 400	5 896 900	5 423 600	473 300
Vehicle Testing Station	2 303 400	2 974 200	-670 800	2 418 700	3 170 900	-752 200	2 515 300	3 378 700	-863 400
Protection Services	-	2 001 200	-2 001 200	-	2 072 600	-2 072 600	-	2 147 300	-2 147 300
Environmental Services	-	650 700	-650 700	-	678 212	-678 212	-	713 769	-713 769
Beaches & Public Amenities	5 711 000	5 837 500	-126 500	6 053 700	6 159 358	-105 658	6 416 900	6 551 717	-134 817
Parks and Sports Facilities	189 600	3 984 800	-3 795 200	21 600	4 089 450	-4 067 850	23 700	4 396 543	-4 372 843
Cemetery	43 000	650 700	-607 700	47 300	701 900	-654 600	52 000	757 100	-705 100
Buildings and Commonage	209 500	3 793 100	-3 583 600	230 600	3 965 800	-3 735 200	253 500	4 191 900	-3 938 400
Public Services	-	1 049 500	-1 049 500	-	1 119 300	-1 119 300	-	1 195 200	-1 195 200
Housing	28 100 000	29 574 600	-1 474 600	35 500 000	37 061 300	-1 561 300	39 500 000	41 154 100	-1 654 100
Social Development	268 000	1 829 760	-1 561 760	188 000	1 853 700	-1 665 700	201 200	1 975 900	-1 774 700
Administration	-	1 683 700	-1 683 700	-	1 775 500	-1 775 500	-	1 873 700	-1 873 700
Traffic	8 585 300	8 480 400	104 900	8 505 600	8 658 300	-152 700	8 505 800	8 958 972	-453 172
<b>Electricity</b>	<b>96 117 907</b>	<b>86 008 942</b>	<b>10 108 965</b>	<b>97 602 700</b>	<b>90 125 648</b>	<b>7 477 052</b>	<b>104 430 200</b>	<b>95 234 330</b>	<b>9 195 870</b>
Electricity	96 117 907	86 008 942	10 108 965	97 602 700	90 125 648	7 477 052	104 430 200	95 234 330	9 195 870
<b>Total (excluding Capital Transfers)</b>	<b>278 599 056</b>	<b>297 384 962</b>	<b>-18 785 906</b>	<b>297 887 076</b>	<b>312 667 421</b>	<b>-14 780 345</b>	<b>321 246 611</b>	<b>331 840 165</b>	<b>-10 593 554</b>

As a rule of thumb, all trading services (water, electricity, refuse and sanitation) should be cost reflective, meaning that sufficient revenue is raised to cover all the costs associated with the provision of the service. All services are currently operating at a surplus as indicated below:

	<u>2012/2013</u> <u>Audited</u>	<u>2013/2014</u> <u>Audited</u>	<u>2014/2015</u> <u>Audited</u>	<u>2015/2016</u> <u>Original</u>	<u>2015/2016</u> <u>Adjustments</u> <u>Budget</u>	<u>2016/2017</u> <u>Original</u>	<u>2017/2018</u> <u>Original</u>	<u>2018/2019</u> <u>Original</u>
<b>Electricity</b>								
Revenue	65 679 676	71 611 969	79 576 707	89 572 380	90 231 350	98 208 807	99 718 000	106 562 000
Expenditure	57 034 446	61 936 731	67 340 047	83 134 184	83 785 493	87 643 942	91 759 242	96 866 242
Surplus/Deficit	8 645 230	9 675 238	12 236 660	6 438 196	6 445 857	10 564 865	7 958 758	9 695 758
Profit %	13.16%	13.51%	15.38%	7.19%	7.14%	10.76%	7.98%	9.10%

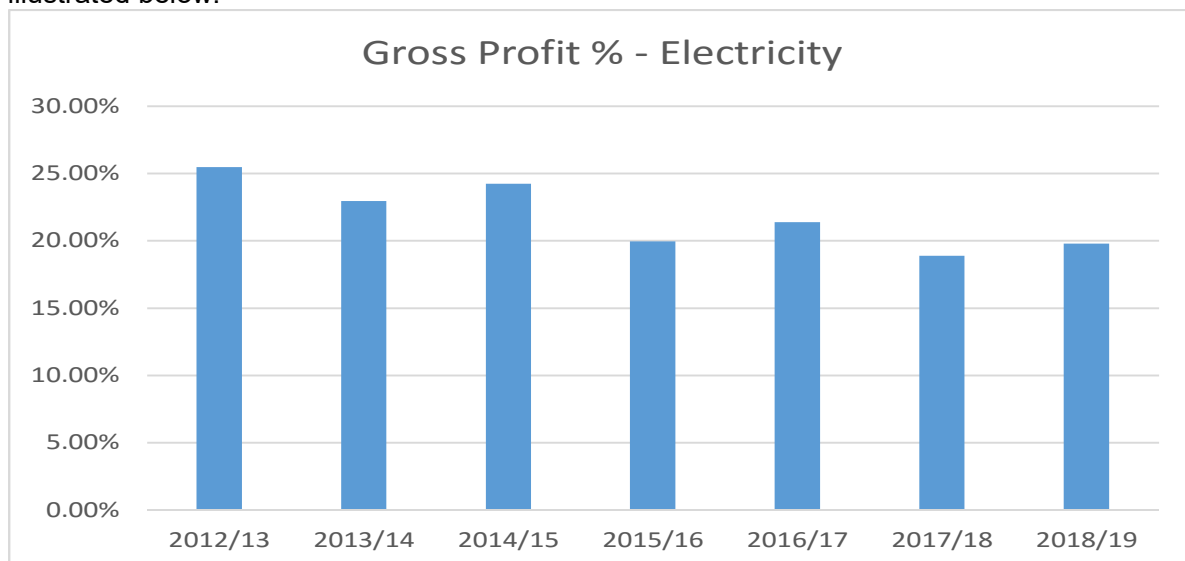
	<u>2012/2013</u> <u>Audited</u>	<u>2013/2014</u> <u>Audited</u>	<u>2014/2015</u> <u>Audited</u>	<u>2015/2016</u> <u>Original</u>	<u>2015/2016</u> <u>Adjustments</u> <u>Budget</u>	<u>2016/2017</u> <u>Original</u>	<u>2017/2018</u> <u>Original</u>	<u>2018/2019</u> <u>Original</u>
<b>Water</b>								
Revenue	16 392 143	17 163 069	21 150 886	22 066 290	22 066 290	24 153 300	25 600 400	27 128 500
Expenditure	10 812 588	12 181 965	14 898 530	13 469 453	15 196 461	15 431 300	14 977 200	15 827 400
Surplus/Deficit	5 579 556	4 981 104	6 252 356	8 596 837	6 869 829	8 722 000	10 623 200	11 301 100
Profit %	34.04%	29.02%	29.56%	38.96%	31.13%	36.11%	41.50%	41.66%

	<u>2012/2013</u> <u>Audited</u>	<u>2013/2014</u> <u>Audited</u>	<u>2014/2015</u> <u>Audited</u>	<u>2015/2016</u> <u>Original</u>	<u>2015/2016</u> <u>Adjustments</u> <u>Budget</u>	<u>2016/2017</u> <u>Original</u>	<u>2017/2018</u> <u>Original</u>	<u>2018/2019</u> <u>Original</u>
<b>Waste Management</b>								
Revenue	9 806 279	10 772 875	13 384 809	15 377 310	15 377 310	17 486 313	18 149 000	18 917 300
Expenditure	8 420 299	11 952 348	11 645 955	12 755 533	15 941 190	17 444 879	17 859 278	18 598 379
Surplus/Deficit	1 385 980	-1 179 472	1 738 854	2 621 777	-563 880	41 434	289 722	318 921
Profit %	14.13%	-10.95%	12.99%	17.05%	-3.67%	0.24%	1.60%	1.69%

	<u>2012/2013</u> <u>Audited</u>	<u>2013/2014</u> <u>Audited</u>	<u>2014/2015</u> <u>Audited</u>	<u>2015/2016</u> <u>Original</u>	<u>2015/2016</u> <u>Adjustments</u> <u>Budget</u>	<u>2016/2017</u> <u>Original</u>	<u>2017/2018</u> <u>Original</u>	<u>2018/2019</u> <u>Original</u>
<b>Waste Water Management</b>								
Revenue	6 434 871	7 655 607	9 120 306	9 648 930	9 648 930	10 567 100	11 201 488	11 871 549
Expenditure	6 101 183	6 911 437	8 876 179	7 404 730	8 456 121	9 918 100	9 196 200	9 658 400
Surplus/Deficit	333 689	744 170	244 126	2 244 200	1 192 809	649 000	2 005 288	2 213 149
Profit %	5.19%	9.72%	2.68%	23.26%	12.36%	6.14%	17.90%	18.64%

From the above, the margins relating provision of electricity and refuse is anticipated to come under pressure in years to come. This is mainly due to increase in the cost of bulk electricity from Eskom (which will increase by 9.4% on 1 July 2016) as well as the increase environmental costs associated with the operating of landfill sites in South Africa.

The inability of the municipality to transfer all electricity increases to the consumers is clearly illustrated below:



With the cost of bulk purchases largely beyond the control of the municipality, and the constraints with regards to excessive consumer tariff increases over and above already provided in the budget, the municipality should investigate the possibility of cutting back on other expenditure to ensure that the service remain profitable for the foreseeable future.

Other than the trading services, the municipality should also ensure that departments with the ability to generate its own revenue are cost reflective as far possible.

## FINANCIAL VIABILITY

Cape Agulhas Municipality have recently approved a long term financial plan that should be utilised to guide all budget related decisions of the municipality. The following ratio's and benchmarks were identified which is considered significant to the long term sustainability of the municipality:

Ratio	Norm	Target 2016/17	Budgeted 2015/16	Budgeted 2016/17	Comments
<b>Liquidity Ratios</b>					
- Standard Liquidity Ratio	2:1	3.5:1	1.29:1	1.25:1	The municipality is below the target for 2016/17 as well as the norm.
- Minimum Liquidity Ratio	1 Month	3.3 Months	0.57 Months	0.5 Months	The municipality is below the target for 2016/17 as well as the norm.
- Overdraft to Total Income	0%	0%	0%	0%	This ratio is achieved as it is anticipated that there will not be a bank overdraft at the end of 2016/17.
<b>Operational Ratios</b>					
- Accounting Surplus	>0	R17m	R21m (loss)	R19m (loss)	The municipality is currently operating at a loss
- Cash Operating Surplus	>0	R17m	R3m (Cash Shortfall)	R 0.127 m (Cash Surplus)	The municipality is currently not producing sufficient cash to reach the target for 2016/17. A further R 16.873 million surplus should be produced to reach the target set for 2016/17.
- Repairs and Maintenance to Total Expenditure	7.00%	6.10%	4.85%	9.17%	The municipality is above the target for 2016/17 as well as the norm. This is mainly due to salaries and wages directly attributable to repairs and maintenance now being included in the calculation of the norm.
- Consumer Collection Levels	>95%	97%	97%	97%	This ratio is achieved by the municipality. Collection rates have always been an area of strength for the municipality.
- Staff Costs	25% to 30%	45%	38%	36%	The target for 2016/17 have been achieved. The ratio is however still in excess of the norm. This ratio should however be reviewed with caution, as it could easily be influenced by periodic fluctuations in certain expenditure items (such as expenditure relating to grant allocations).
<b>External Gearing Ratios</b>					
- External Loan Liability Paid (Cost Coverage)	2:1	103.3:1	-1.35:1	-11.59:1	This ratio is currently negative as the municipality is operating at an loss.
- External Interest and Capital Paid to Total Expenditure	7.50%	0.10%	0.55%	0.38%	The ratio is currently above the target, but still well below the norm. There are further room to incorporate more external funds in the funding model of the capital program.
- External Gearing Ratio	25.00%	0.00%	0.03%	0.02%	The ratio is currently below both the target and norm. There are further room to incorporate more external funds in the funding model of the capital program.

As previously mentioned, all ratio's and benchmarks are highly dependent on the ability of the municipality to preserve or even improve on current cash levels. Further details how the municipality will be addressing the shortcomings above are included in the long term financial plan of the municipality.

The municipality further assesses their viability on the model jointly developed by Swartland Municipality and the Western Cape Provincial Treasury. This model assesses 10 key ratios that is considered the most important indicators when assessing the long term viability of the municipality. A weighting is attached to each indicator that will eventually provide the municipality with a viability score out of 100. The municipality should always strive for the maximum score of 100. Any score below 100 will be indicative of "sustainability cracks" that could eventually negatively impact on service delivery in the municipal area.

The 10 indicators, along with the proposed benchmark and weight are included in the following table:

ITEM	Benchmark	Viability Weight	Standard 1	Score 1	Standard 2	Score 2	Standard 3	Score 3	Standard 4	Score 4	Standard 5	Score 5
Asset Test Ratio	200%	10	200%	10	150%	8	100%	5	50%	2	0%	0
Payment Level (Excluding write-off of bad debts)	> 95%	15	95%	15	90%	11	85%	6	80%	3	75%	0
Cash Generated from Operations as % of Revenue	> 20%	8	20%	8	15%	6	10%	4	5%	2	0%	0
Purchase of PPE as % of Cash Generated	< 100%	8	100%	8	110%	6	120%	4	135%	2	150%	0
Cost Coverage (Excluding Unspent Grants)	4	15	4	15	4	10	3	5	2	2	1	0
Debtors Turnover (days) (Before impairment)	< 45 days	2	75	2	90	1	110	0	130	0	150	0
Longterm debt as % of Revenue	< 40%	5	40%	5	50%	4	75%	3	95%	2	100%	0
Debt servicing cost to Revenue	< 5%	8	5%	8	7.50%	6	10%	4	12.50%	2	15%	0
Short-term debt as % of Cash	< 100%	4	50%	4	70%	3	80%	2	100%	1	125%	0
Cash Funded Budget over MTREF	> R0	25	Yes	25	No	0	0	0	0	0	0	0

The 10 indicators provide the municipality with an assessment of the following major areas:

- Revenue Management
- Expenditure Management
- Debtor and Creditor Management
- Cash Management
- Asset Management
- Funding and Reserve Strategy

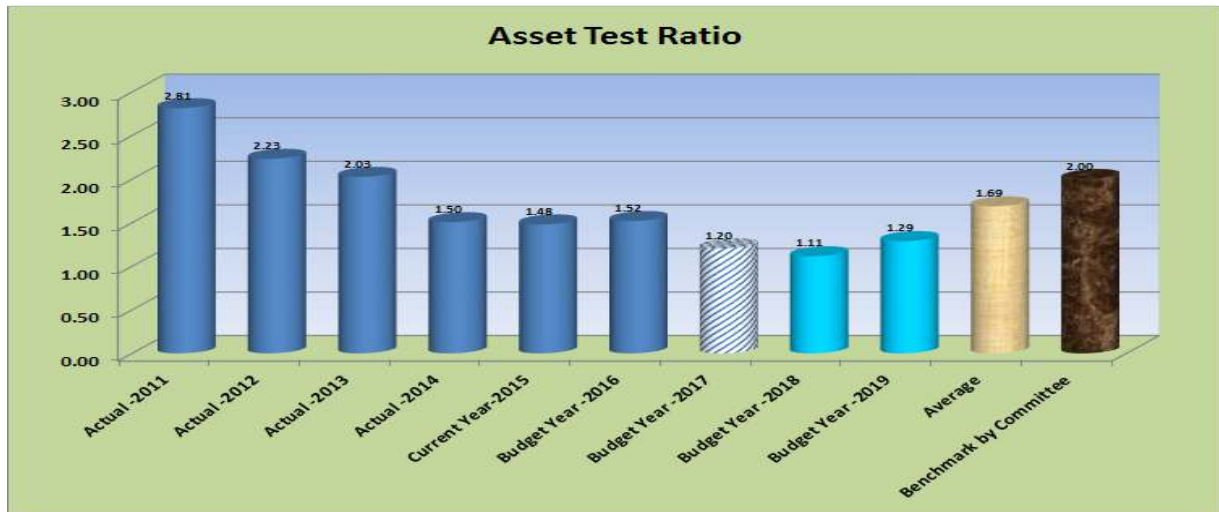
All the indicators will be discussed below.

#### 1.4.1.1 Asset Test Ratio

The asset test ratio provides with an indication of the municipality's ability to settle commitments if and when they become due. It is calculated as follows ratio between current assets (excluding inventory) and current liabilities:

A ratio of 2:1 is considered to be appropriate.

This ratio has already slipped below the acceptable level of 2:1 during 2013/2014. It is not expected that the level of 2:1 will be reached over the MTREF, however, the ratio is turning more positive over the MTREF in line with the increase in anticipated cash resources.

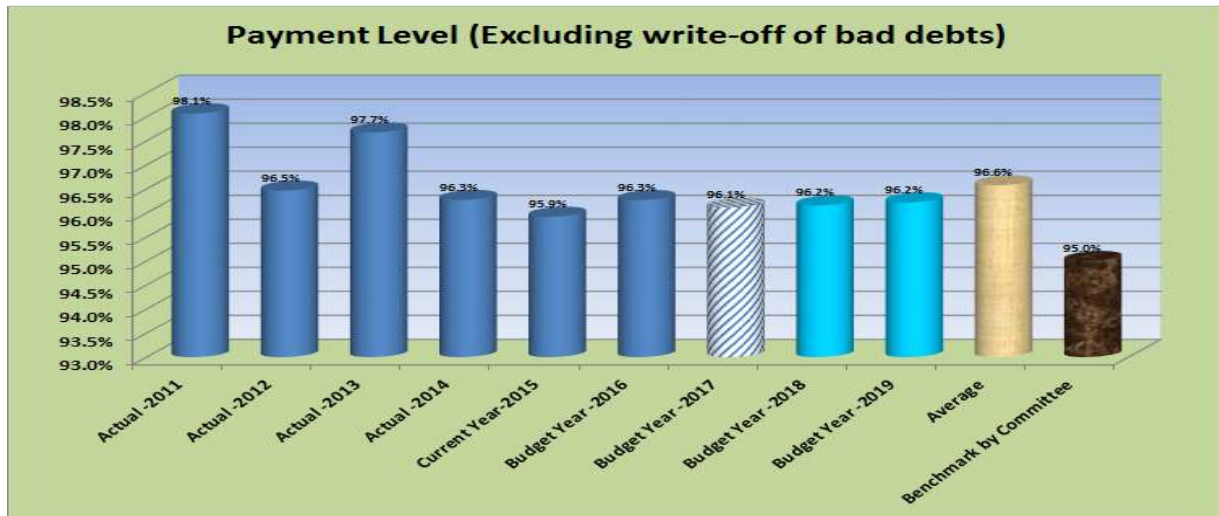


From a viability scoring out of 10 for this indicator, the following is allocated for this indicator:

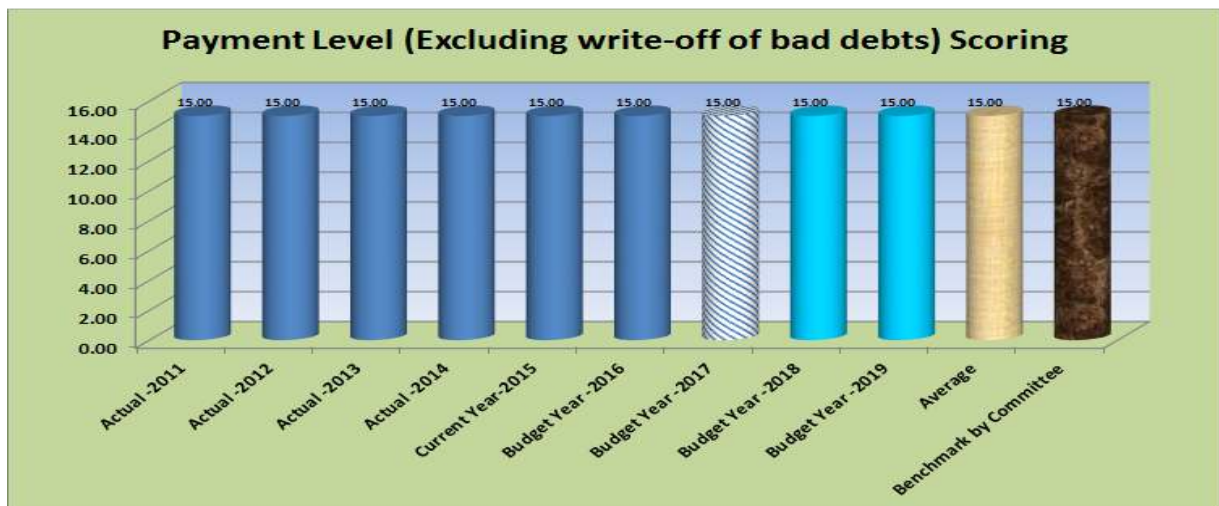


#### 1.4.1.2 Payment Level

Historically, the municipality has always been able to apply strict measures when it comes to revenue collection and this trend is set to continue. A revenue collection rate in excess of 95% is considered to be exceptional in the current economic environment.



A full score of 15 is allocated for this indicator in all periods under review.



#### 1.4.1.3 Cash Generated from Operations as % of Revenue

This indicator provides the municipality with a measure of the municipality's ability to translate the operating budget into cash. The downward trend as identified in the graph below is an indication of the inability of the municipality to pass the increases in major cost drivers to the consumer/rate payer in the form of service charges and taxes. The municipality should explore relevant areas where non-essential expenditure can be reduced in order to improve this indicator. Any improvement in this indicator will significantly contribute to the availability of cash resources for capital purposes. A ratio of 20% (Cash generated by operations vs Revenue) is deemed to be appropriate.

It is quite evident that the municipality is not generating appropriate levels of cash that will enable the municipality to contribute to the capital program of the municipality. With collection rates already established to be very good, cost cutting measures is considered the only possible short term remedy to correct this indicator.





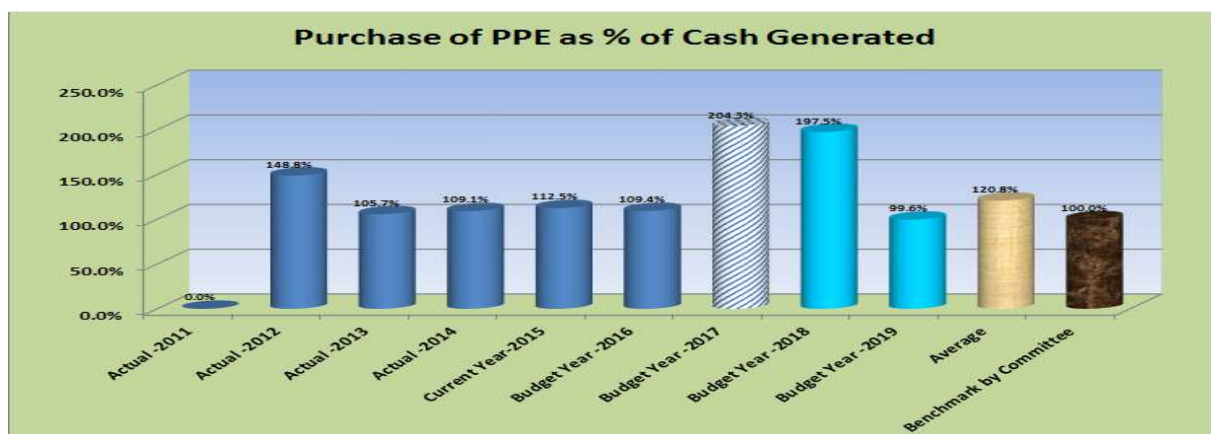
From a possible score of 8, the municipality will score limited points over the MTREF.



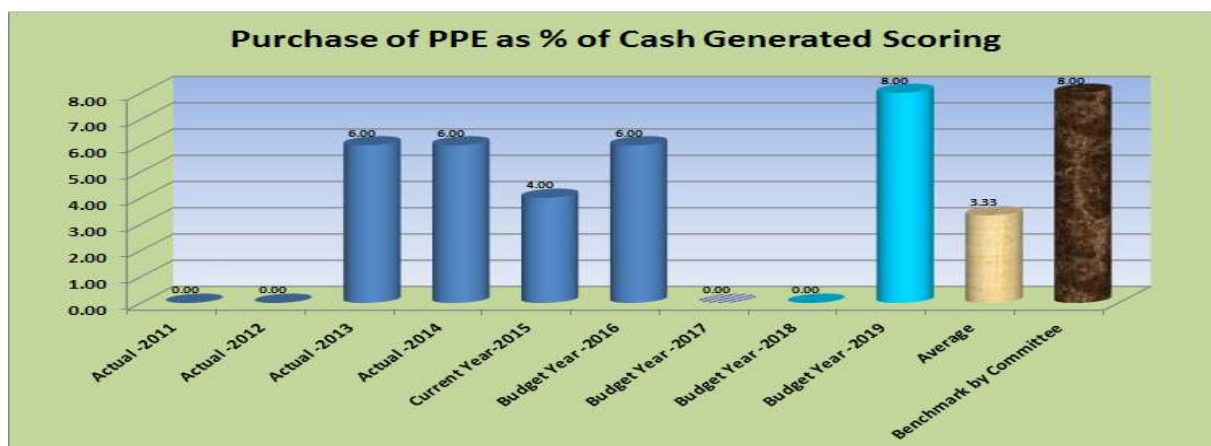
#### 1.4.1.4 Purchase of PPE as % of Cash Generated

This indicator measures the ability of the municipality to finance the capital program from cash generated in the same financial period. Any indicator above 100% is indicative of a shortfall in cash which increases the need to utilise accumulated cash resources from prior years. Alternatively in order to preserve cash resources, the municipality will need to raise external loans. An external loan is an excellent instrument to promote the principle of “user pays” (Interest and redemption charges are factored into the cost of providing the service. Thus, the user of the specific asset will pay for the asset over the period when benefits are derived from the asset). It is also very useful to fast track much needed infrastructure projects where the municipality is not in a position to finance a specific project from own resources. The municipality should however be mindful of the affordability factor specifically relating to loans that will be discussed in more detail in section 1.4.1.7 and 1.4.1.8.

In recent years and as it is currently projected, the municipality’s capital program is always in excess of cash generated by operations, except for 2018/2019.

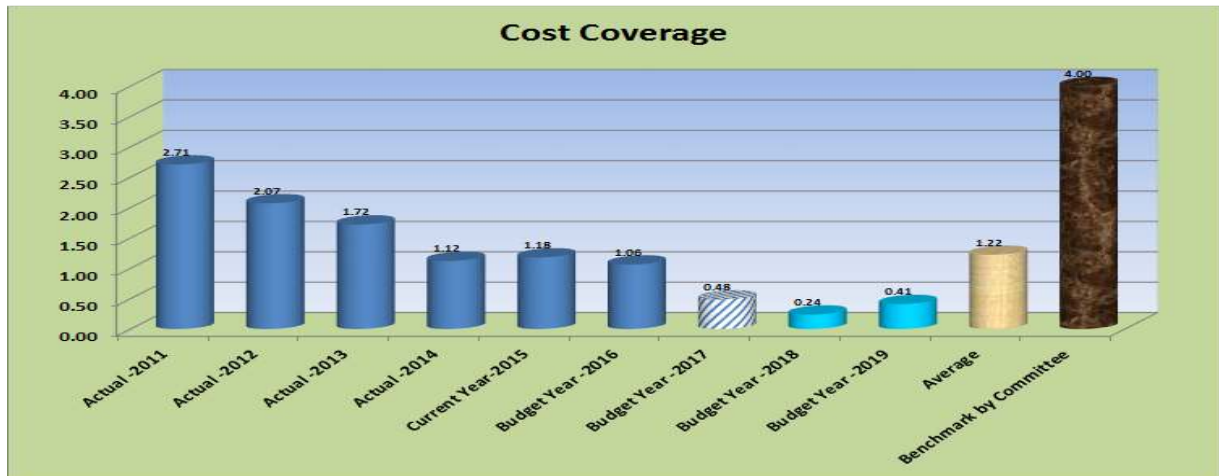


Similar to the indicator discussed in 1.4.1.3, the municipality will need to cut back on operating expenditure to ensure that this indicator becomes more favorable than the current possible score out of 8. Over the MTREF, the municipality will only be allocated a score during 2017/2018.



### 1.4.1.5 Cost Coverage

This ratio measures the amount of months' operating expenditure for which cash is available. This indicator will also provide a good indication of how the municipality will be able to react to financial "shock/setbacks" that is beyond the control of the municipality (for example - National Treasury delays the payments of grants or a sudden drop in payment levels from consumers/rate payers). The guidelines provided by National Treasury indicate that a level of 1 to 3 months is considered to be acceptable. A level of 4 months, which is in line with other municipalities that are considered to be financially sound, is considered to be an acceptable level.

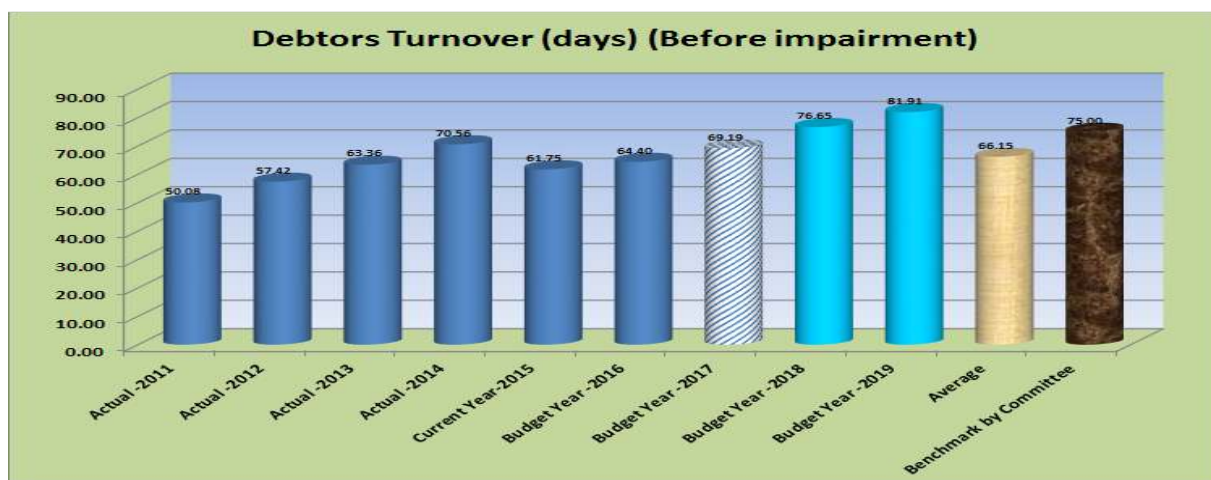


The downward trend is in line with the projected decline in cash resources and accordingly no contribution is made to the viability scoring over the MTREF. It should be noted that the cash levels of the municipality is expected to increase over the outer years of the MTREF. This increase is however not yet sufficient to ensure that the ratio will contribute to the scoring.



#### 1.4.1.6 Debtor Turnover Days

In short, the indicator provides an indication of how many days it takes to convert billed revenue into cash. Thus, it is a good indicator of how credit control and debt collection measures are being implemented at the municipality. It also provides an indication of the municipality's write off policy. High standards are maintained when it comes to debt collection. The upward trend evident below can only be attributed to the municipality not writing off old irrecoverable debt. Not only does this result in a sharp increase in consumer debt, but it also contribute to significant interest charges to be levied in the statement of financial performance. Although considered to be revenue, very little interest revenue will translate into cash.



A total score of only 2 is available for this indicator.

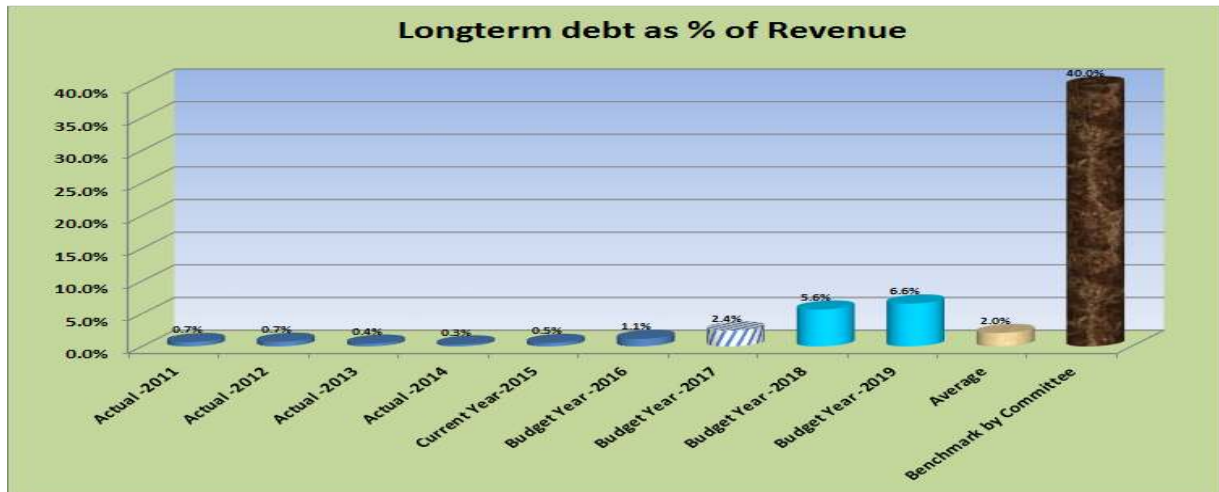


### 1.4.1.7 Long Term Debt as % of Revenue

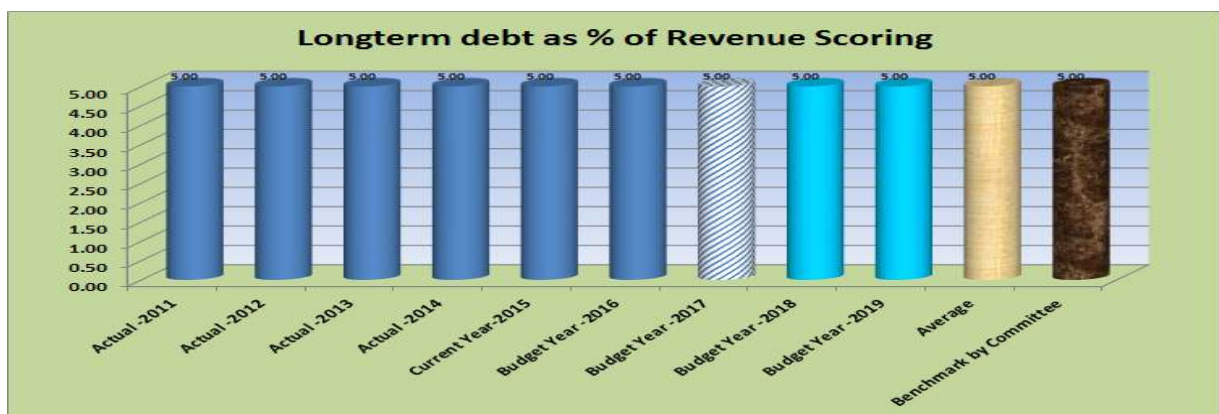
External borrowing is an important part of the funding model of the municipality. Not only does it instantly provide the municipality with relatively inexpensive capital to fast-track service delivery and infrastructure backlogs, but it also ensures that the user of the infrastructure pay for the use over the lifetime of the asset. The current capital program provides for a significant portion of the program to be financed through external financing.

This indicator provides the municipality with a debt ceiling – the maximum level of external borrowing that the municipality will be able to accommodate in the in the statement of financial position before the “affordability” factor becomes a concern.

Currently the municipality is operating well below the debt ceiling of 40%. This is an area that the municipality should definitely explore as a funding option over and above current borrowings factored into the MTREF.



A full score is allocated to this indicator for all periods under review, although it should be noted that the municipality is not make full use of the benefits available in this area.

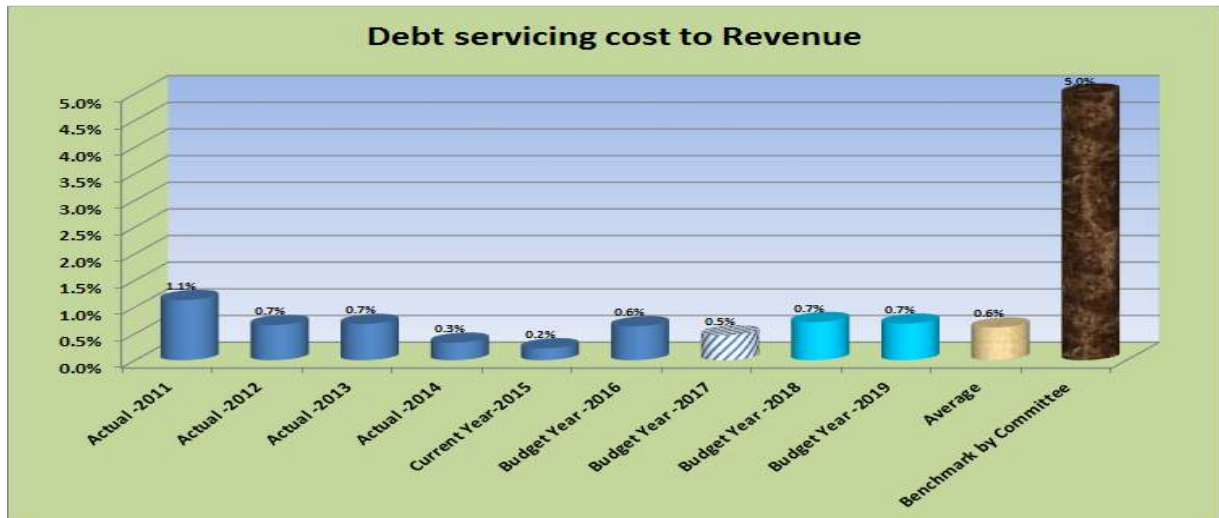


#### 1.4.1.8 Debt Servicing Cost to Revenue

This indicator should be reviewed in conjunction with the debt ceiling as discussed in section 1.4.1.8 and is a measure of the ability of the operating budget to finance loan installments when they become due. A level of 5% is considered to be affordable.

Based on the fact that the municipality is operating well below the debt ceiling, the municipality is performing well on this indicator.



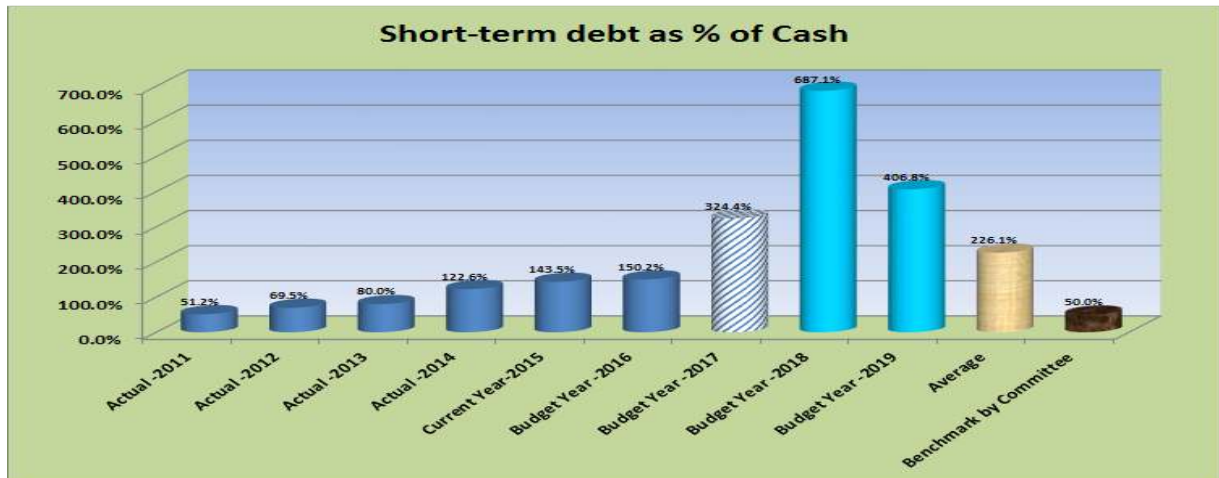


From a possible score of 8, the municipality will be allocated a full score in all periods under review.

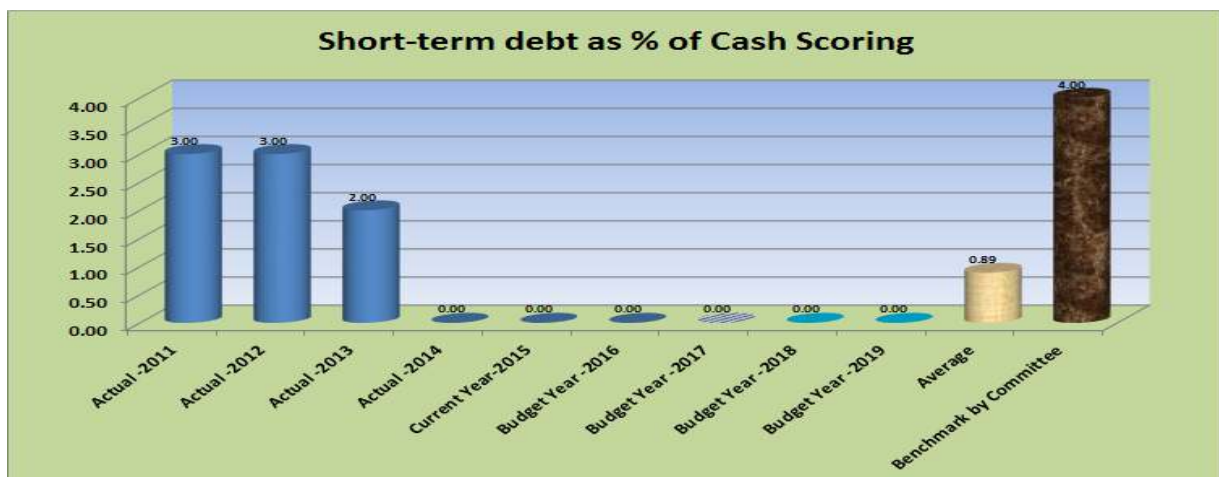


#### 1.4.1.9 Short Term Debt as % of Cash

This indicator provides a measure of the municipality's ability to settle short term liabilities when they become due and payable. The trend below is an indication that the municipality will not be able to pay liabilities when they become due over the MTREF. A level below 50% is considered to be acceptable.



As cash resources decline and short term liabilities increase, the scoring allocated to this indicator will drop to zero.



#### 1.4.1.10 Cash Funded Budget over the MTREF

A cash funded budget is arguably the most important indicator for a credible budget that is aligned to the funding requirement in MFMA Section 18 and for this reason the indicator carries the largest weighting in the financial viability scoring model.

The entire MTREF will be cash funded.



#### 1.4.1.11 Total Viability Scoring

Based on the outcome of the 10 indicators above, and most importantly ensuring that a cash funded budget is proposed, the municipality has managed to project an improvement in viability scoring over the MTREF. This is considered to be very positive.





## 1.5 Operating Revenue Framework

Section 18 of the Municipal Finance Management Act, 2003, which deals with the funding of expenditure, states as follows:

- (1) "An annual budget may only be funded from –
  - (a) Realistically anticipated revenue to be collected from the approved sources of revenue;
  - (b) Cash-backed accumulated funds from previous financial years' surpluses not committed for other purposes; and
  - (c) Borrowed funds, but only for the capital budget referred to in section 17(2).
- (2) Revenue projections in the budget must be realistic, taking into account –
  - (a) projected revenue for the current year based on collection levels to date; and
  - (b) actual revenue collected in previous years."

The following table is a summary of the 2016/17 MTREF (classified by main revenue source):

**Table 3 Summary of revenue classified by main revenue source**

Description  R thousand	2012/13	2013/14	2014/15	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	Outcome	Outcome	Outcome	Budget	Budget			
<b>Revenue By Source</b>								
Property rates	34 763	39 325	42 895	49 956	49 899	54 671	60 155	66 188
Property rates - penalties & collection	–	–	–	–	–	–	–	–
Service charges - electricity revenue	65 092	69 614	75 494	86 845	86 845	95 198	96 660	103 426
Service charges - water revenue	15 168	15 853	18 957	20 408	20 408	22 393	23 750	25 202
Service charges - sanitation revenue	4 618	5 662	6 508	6 687	6 767	7 528	8 009	8 550
Service charges - refuse revenue	6 969	7 698	9 290	11 576	11 576	13 604	14 070	14 669
Service charges - other	–	–	–	–	–	–	–	–
Rental of facilities and equipment	5 014	5 177	5 984	6 680	6 680	7 664	7 942	8 344
Interest earned - external investments	2 050	1 889	1 849	1 970	1 970	1 900	1 900	1 900
Interest earned - outstanding debtors	637	760	996	800	800	876	964	1 060
Dividends received	–	–	–	–	–	–	–	–
Fines	861	1 400	3 049	1 836	8 651	8 538	8 542	8 546
Licences and permits	1 036	963	1 077	330	330	347	364	379
Agency services	1 095	1 255	1 382	1 309	1 309	1 374	1 443	1 500
Transfers recognised - operational	62 567	46 009	49 613	30 290	34 732	60 025	69 420	76 496
Other revenue	2 600	4 854	3 810	3 855	4 182	4 481	4 671	4 987
Gains on disposal of PPE	–	–	–	–	50	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>202 471</b>	<b>200 457</b>	<b>220 904</b>	<b>222 541</b>	<b>234 198</b>	<b>278 599</b>	<b>297 887</b>	<b>321 247</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

**Table 4 Summary of revenue classified by municipal vote**

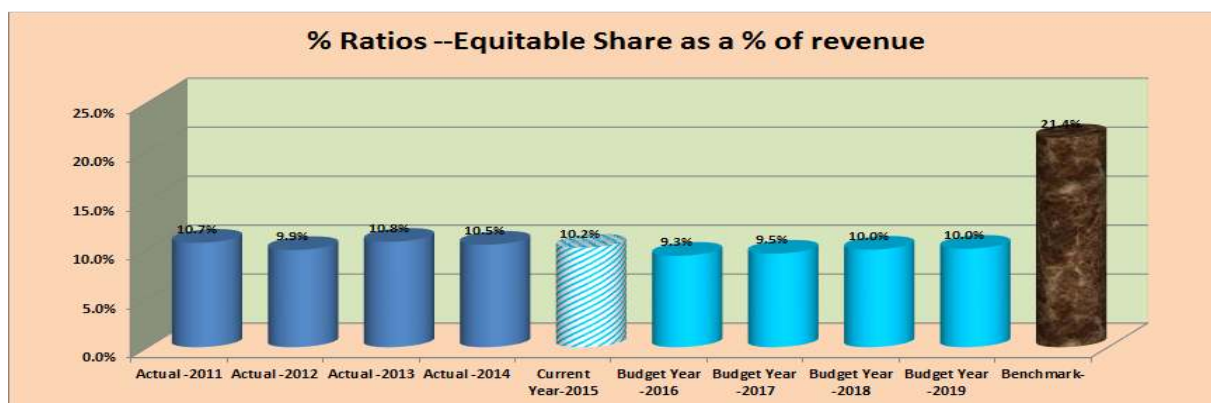
Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>									
Vote 1 - Executive and Council	73 985	55 907	12 826	13 309	13 703	14 403	15 373	17 169	18 924
Vote 2 - Budget and Treasury Office	37 889	42 714	48 012	55 423	55 781	55 781	59 673	65 412	71 720
Vote 3 - Corporate Services	896	618	2 910	2 740	2 802	2 802	3 369	3 296	3 421
Vote 4 - Community and Social Services	4 975	6 296	31 070	16 696	27 253	27 253	51 738	58 526	63 365
Vote 5 - Sport and Recreation	3 992	4 254	5 452	-	-	-	-	-	-
Vote 6 - Public Safety	2 868	3 455	5 306	-	-	-	-	-	-
Vote 7 - Road Transport	3 261	212	96	-	-	-	-	-	-
Vote 8 - Electricity	65 680	71 612	78 254	89 511	90 170	90 170	97 118	99 603	106 430
Vote 9 - Water	16 392	17 163	20 690	-	-	-	-	-	-
Vote 10 - Waste Water Management	6 435	7 656	9 769	-	-	-	-	-	-
Vote 11 - Waste Management	9 806	10 773	13 352	-	-	-	-	-	-
Vote 12 - Environmental Protection	-	-	-	-	-	-	-	-	-
Vote 13 - Other	5	-	11 022	-	-	-	-	-	-
Vote 14 - Infrastructure	-	-	-	58 326	58 419	58 419	63 260	65 714	69 052
<b>Total Revenue by Vote</b>	<b>226 183</b>	<b>220 661</b>	<b>238 760</b>	<b>236 005</b>	<b>248 128</b>	<b>248 828</b>	<b>290 530</b>	<b>309 720</b>	<b>332 912</b>

**Table 5 Percentage growth in revenue base by main revenue source**

Description R thousand	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
<b>Revenue By Source</b>								
Property rates	49 899	213%	54 671	19.6%	60 155	20.2%	66 188	20.6%
Service charges - electricity revenue	86 845	37.1%	95 198	34.2%	96 660	32.4%	103 426	32.2%
Service charges - water revenue	20 408	8.7%	22 393	8.0%	23 750	8.0%	25 202	7.8%
Service charges - sanitation revenue	6 767	2.9%	7 528	2.7%	8 009	2.7%	8 550	2.7%
Service charges - refuse revenue	11 576	4.9%	13 604	4.9%	14 070	4.7%	14 669	4.6%
Rental of facilities and equipment	6 680	2.9%	7 664	2.8%	7 942	2.7%	8 344	2.6%
Interest earned - external investments	1 970	0.8%	1 900	0.7%	1 900	0.6%	1 900	0.6%
Interest earned - outstanding debtors	800	0.3%	876	0.3%	964	0.3%	1 060	0.3%
Fines	8 651	3.7%	8 538	3.1%	8 542	2.9%	8 546	2.7%
Licences and permits	330	0.1%	347	0.1%	364	0.1%	379	0.1%
Agency services	1 309	0.6%	1 374	0.5%	1 443	0.5%	1 500	0.5%
Transfers recognised - operational	34 732	14.8%	60 025	215%	69 420	23.3%	76 496	23.8%
Other revenue	4 182	18%	4 481	16%	4 671	16%	4 987	16%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>234 148</b>	<b>100%</b>	<b>278 599</b>	<b>100%</b>	<b>297 887</b>	<b>100%</b>	<b>321 247</b>	<b>100%</b>
<b>Total Revenue from Rates and Service Charges</b>	<b>175 495</b>	<b>75.0%</b>	<b>193 395</b>	<b>69.4%</b>	<b>202 643</b>	<b>68.0%</b>	<b>218 035</b>	<b>67.9%</b>

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise between 68 and 75 percent of the total revenue mix.

The municipality remains highly dependent on internal revenue sources to fund the budget, with equitable share making up only about 10% of the total revenue mix.



The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 2 Operating Transfers and Grant Receipts**

Description	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>					
<b>EXPENDITURE:</b>					
<b><u>Operating expenditure of Transfers and Grants</u></b>					
<b>National Government:</b>	<b>23 601</b>	<b>24 254</b>	<b>26 785</b>	<b>28 318</b>	<b>30 760</b>
Local Government Equitable Share	20 679	20 679	23 075	25 256	27 334
Finance Management	1 230	1 231	735	1 192	1 489
Municipal Systems Improvement	150	150	–	–	–
Municipal Infrastructure (MIG)	542	1 195	1 765	1 870	1 937
EPWP Incentive	1 000	1 000	1 210	–	–
<b>Provincial Government:</b>	<b>6 689</b>	<b>10 477</b>	<b>33 240</b>	<b>41 102</b>	<b>45 736</b>
Housing	2 300	5 792	28 100	35 500	39 500
Community Development Workers	54	44	56	56	56
Subsidy Main Roads	73	73	73	–	–
Subsidy Libraries	4 250	4 250	4 806	5 306	5 820
Thusong Centre	12	12	–	–	–
Provincial Financial Grant	–	307	120	240	360
Provincial Infrastructure Support Grant	–	–	85	–	–
<b>Total operating expenditure of Transfers and Grants:</b>	<b>30 290</b>	<b>34 732</b>	<b>60 025</b>	<b>69 420</b>	<b>76 496</b>

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper limit of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment. A recovery rate of approximately 97.1% is factored into the MTREF period.

The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

### **1.5.1 Property Rates**

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

An increase of 9 per cent is proposed for 2016/17. This increase is above the upper boundary of the South African Reserve Bank's inflation target, but is required to curb the downward trend in cash resources as identified earlier in the report.

### **1.5.2 Sale of Water and Impact of Tariff Increases**

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

One of the main challenges facing the municipality is water losses. The municipality is continuously exploring ways to limit its water losses to an acceptable level.

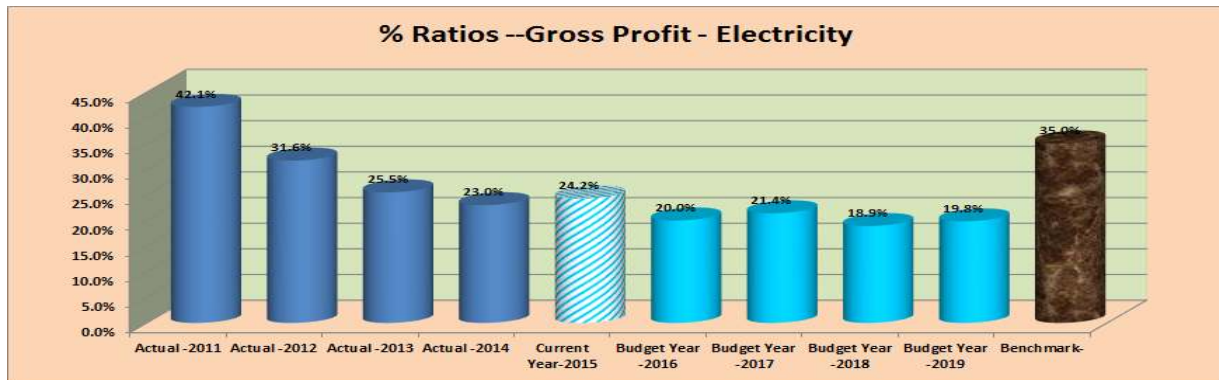
A tariff increase of 9 per cent for residential consumers and 10 per cent for businesses from 1 July 2016 for water is proposed. This increase is above the 6 per cent upper boundary of the South African Reserve Bank's inflation target. The tariff increase is not just to be aligned with the municipality's Long Term Financial Plan Strategy approved during December 2015 but also due to the fact that the service is currently being operated at a loss if we take into account the capital requirements to be financed from own capital.

Full details regarding the tariffs are included as Appendix A to this document.

### **1.5.3 Sale of Electricity and Impact of Tariff Increases**

NERSA has announced the revised bulk electricity pricing structure. A 9.34 per cent (nominal) increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2016.

From the graph below it is clearly evident that the gross profit margin will be placed under pressure due to the inability of the municipality to pass all bulk tariff increases on to the consumer.



According to NERSA guidelines, the municipality is allowed a 9.34 percent increase in electricity tariffs to be levied for consumers.

#### 1.5.4 Sanitation and Impact of Tariff Increases

A tariff increase of 9.5 per cent for sanitation from 1 July 2016 is proposed. This increase was required to ensure that the tariff charged is more cost reflective. This increase is above the 6 per cent upper boundary of the South African Reserve Bank's inflation target aligned with the municipality's Long Term Financial Plan Strategy approved during December 2015. However, this increase is further required due to the fact that the service is currently being operated at a loss if we take into account the capital requirements to be financed from internal sources.

#### 1.5.5 Waste Removal and Impact of Tariff Increases

A 9 percent increase in the waste removal tariff is proposed from 1 July 2016. This increase is above the 6 per cent upper boundary of the South African Reserve Bank's inflation target aligned with the municipality's Long Term Financial Plan Strategy approved during December 2015. However, this increase is further required due to the fact that the service is currently being operated at a loss if we take into account the capital requirements and other commitments to be financed from own funds. Commitments include the rehabilitation of landfill sites, which is one of the major liabilities of the municipality. This liability is currently not fully funded.

## 1.5.6 Overall impact of tariff increases on households

Information on the impact on households can be illustrated below.

Description	2012/13	2013/14	2014/15	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Rand/cent</b>									
<b>Monthly Account for Household - 'Middle Income Range'</b>									
<b>Rates and services charges:</b>									
Property rates	480.18	489.75	543.99	625.60	625.60	9.3%	683.48	751.83	827.01
Electricity: Basic levy	186.00	189.72	201.10	216.00	216.00	8.1%	233.60	254.62	277.54
Electricity: Consumption	1 010.37	1 107.22	1 200.46	1 338.90	1 338.90	10.1%	1 474.01	1 606.67	1 751.27
Water: Basic levy	76.51	81.87	89.64	95.20	95.20	9.5%	104.24	113.62	123.85
Water: Consumption	106.53	114.08	124.92	136.47	136.47	9.8%	149.78	163.26	177.95
Sanitation	69.23	77.54	85.14	95.00	95.00	9.7%	104.24	113.62	123.85
Refuse removal	78.14	83.61	93.64	104.00	104.00	10.0%	114.40	124.70	135.92
<b>sub-total</b>	<b>2 006.96</b>	<b>2 143.79</b>	<b>2 338.89</b>	<b>2 611.17</b>	<b>2 611.17</b>	<b>9.7%</b>	<b>2 863.75</b>	<b>3 128.32</b>	<b>3 417.39</b>
VAT on Services	213.75	231.57	251.29	277.98	277.98		305.24	332.71	362.65
<b>Total large household bill:</b>	<b>2 220.71</b>	<b>2 375.36</b>	<b>2 590.18</b>	<b>2 889.15</b>	<b>2 889.15</b>	<b>9.7%</b>	<b>3 168.99</b>	<b>3 461.03</b>	<b>3 780.04</b>
<b>% increase/-decrease</b>		<b>7.0%</b>	<b>9.0%</b>	<b>11.5%</b>	<b>-</b>		<b>9.7%</b>	<b>9.2%</b>	<b>9.2%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>									
<b>Rates and services charges:</b>									
Property rates	13.36	194.38	210.90	242.54	242.54	9.4%	265.39	291.93	321.12
Electricity: Basic levy	93.00	94.86	100.55	216.00	216.00	8.1%	233.60	254.62	277.54
Electricity: Consumption	421.40	454.67	492.44	535.19	535.19	9.6%	586.44	639.22	696.75
Water: Basic levy	76.51	81.87	89.64	95.20	95.20	9.5%	104.24	113.62	123.85
Water: Consumption	83.90	89.85	98.38	107.53	107.53	9.0%	117.23	127.78	139.28
Sanitation	69.23	77.54	85.14	95.00	95.00	9.7%	104.24	113.62	123.85
Refuse removal	78.14	83.61	93.64	104.00	104.00	10.0%	114.40	124.70	135.92
<b>sub-total</b>	<b>835.54</b>	<b>1 076.78</b>	<b>1 170.69</b>	<b>1 395.46</b>	<b>1 395.46</b>	<b>9.3%</b>	<b>1 525.54</b>	<b>1 665.49</b>	<b>1 818.30</b>
VAT on Services	115.10	123.54	134.37	146.29	146.29		176.42	192.30	209.61
<b>Total small household bill:</b>	<b>950.64</b>	<b>1 200.32</b>	<b>1 305.06</b>	<b>1 541.75</b>	<b>1 541.75</b>	<b>10.4%</b>	<b>1 701.96</b>	<b>1 857.79</b>	<b>2 027.91</b>
<b>% increase/-decrease</b>		<b>26.3%</b>	<b>8.7%</b>	<b>18.1%</b>	<b>-</b>		<b>10.4%</b>	<b>9.2%</b>	<b>9.2%</b>
			-0.67	1.08	-1.00				
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>									
<b>Rates and services charges:</b>									
Property rates	9.04	9.22	17.84	20.50	20.50	9.4%	22.43	24.67	27.14
Water: Basic levy	-	16.83	17.83	19.04	19.04	9.5%	20.85	22.73	24.77
Sanitation	-	15.51	17.03	19.00	19.00	9.7%	20.84	22.72	24.76
Refuse removal	-	16.72	18.73	20.80	20.80	10.0%	22.88	24.94	27.18
<b>sub-total</b>	<b>9.04</b>	<b>58.28</b>	<b>71.43</b>	<b>79.34</b>	<b>79.34</b>	<b>9.6%</b>	<b>87.00</b>	<b>95.05</b>	<b>103.86</b>
VAT on Services	-	6.87	7.50	8.24	8.24		9.04	9.85	10.74
<b>Total small household bill:</b>	<b>9.04</b>	<b>65.15</b>	<b>78.93</b>	<b>87.58</b>	<b>87.58</b>	<b>9.7%</b>	<b>96.04</b>	<b>104.91</b>	<b>114.60</b>
<b>% increase/-decrease</b>		<b>620.7%</b>	<b>21.2%</b>	<b>11.0%</b>	<b>-</b>		<b>9.7%</b>	<b>9.2%</b>	<b>9.2%</b>

## 1.6 Operating Expenditure Framework

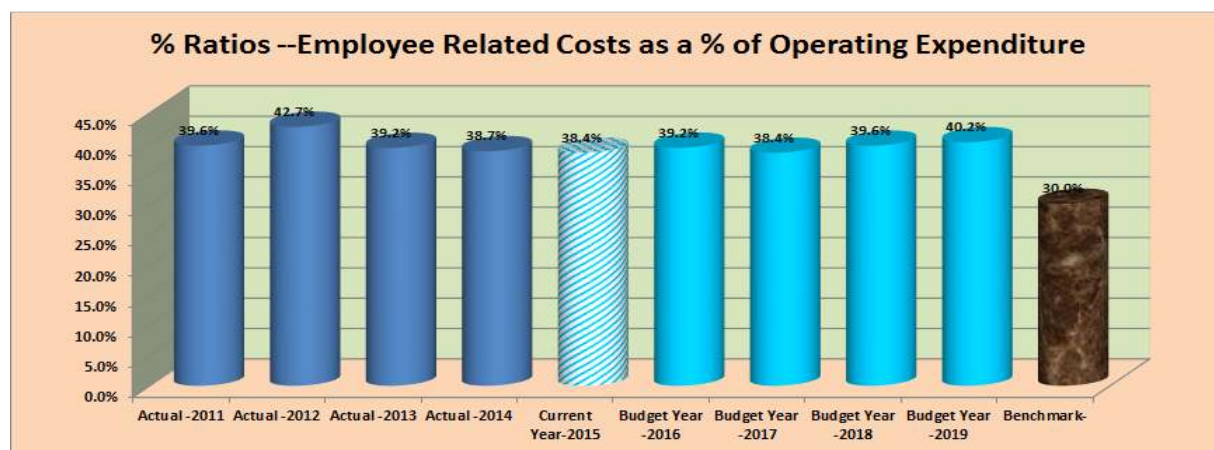
Municipalities are still urged to implement the cost containment measures on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering, events costs and accommodation. With the implementation of cost containment measures, municipalities must control unnecessary spending on nice-to-have items and non-essential and non-priority activities.

The following table is a high level summary of the 2016/17 budget and MTREF (classified per main type of operating expenditure):

**Table 3 Summary of operating expenditure by standard classification item**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Expenditure By Type</b>									
Employee related costs	67 455	70 755	78 889	90 608	92 851	92 042	101 847	108 365	115 904
Remuneration of councillors	3 077	3 288	3 452	3 760	3 760	3 760	4 786	5 073	5 377
Debt impairment	2 179	2 969	5 387	4 690	7 498	7 498	7 400	7 400	7 400
Depreciation & asset impairment	7 437	10 724	10 088	8 289	11 269	9 769	10 888	10 888	10 888
Finance charges	2 902	3 866	4 731	2 883	7 818	7 818	8 527	9 091	9 583
Bulk purchases	49 044	54 261	57 447	72 802	72 552	70 052	75 101	78 683	83 256
Contracted services	1 127	1 336	1 463	8 401	7 923	5 071	10 778	8 830	8 571
Transfers and grants	–	–	–	1 539	1 619	1 499	1 783	1 764	1 839
Other expenditure	74 290	60 532	70 606	43 623	49 579	46 206	76 276	82 573	89 022
Loss on disposal of PPE	6 775	1 266	535	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>214 286</b>	<b>208 996</b>	<b>232 596</b>	<b>236 597</b>	<b>254 869</b>	<b>243 715</b>	<b>297 385</b>	<b>312 667</b>	<b>331 840</b>

The budgeted allocation for employee related costs for the 2016/17 financial year totals R101.847 million, which equals 34.25 per cent of the total operating expenditure. This percentage is set to remain very constant over the two outer years of the MTREF at 34.66 per cent and 34.93 per cent respectively. However, before the municipality reaches any conclusions with regards to levels of employee related costs of the municipality, the municipality should assess the impact of any items that could distort these figures. The municipality should for example exclude any material conditional grant expenditure that can fluctuate significantly year-on-year. By excluding conditional grant expenditure from total operating expenditure, the scenario is as follows:



The increase in Employee Related Costs takes into account the multi-year Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent
- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 97.1 per cent and the Debt Write-off Policy of the Municipality. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption.

Bulk purchases are largely informed by the purchase of electricity from Eskom, which amounted to 9.34%. Although the municipality is not in control of the increase in the cost of bulk purchases, the municipality could still implement measures to reduce distribution losses as well as internal consumption.

Contracted services consist of the following and are linked to the delivery of primary services:

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>Contracted services</b>										
Payment Facilities	739	1 041	1 154	-	-	-	-	-	-	-
Cleaning Services	-	-	-	135	83	-	-	15	15	15
Clearing & Grass Cutting Services	-	-	-	110	110	90	90	112	114	115
Audit Committee	-	-	-	110	125	85	85	134	141	147
Other	-	-	-	-	-	-	-	5	-	-
Professional Services	-	-	-	3 210	3 010	1 449	1 449	4 595	3 623	3 289
Property Valuation	-	-	-	504	504	280	280	1 555	506	507
Debt Collection Services	-	-	-	200	200	160	160	210	221	232
Legal fees	-	-	-	1 304	1 200	826	826	1 170	1 176	1 176
Refuse Removal	-	-	-	1 100	967	967	967	1 120	1 120	1 120
Roads and Stormwater	-	-	-	150	145	65	65	220	231	240
Security Services	-	-	-	779	779	649	649	841	885	931
Traffic Fine Management	-	-	-	800	800	500	500	800	800	800
Recycling Services	388	295	309	-	-	-	-	-	-	-
<b>Total contracted services</b>	<b>1 127</b>	<b>1 336</b>	<b>1 463</b>	<b>8 401</b>	<b>7 923</b>	<b>5 071</b>	<b>5 071</b>	<b>10 778</b>	<b>8 830</b>	<b>8 571</b>

Other expenditure comprises of various line items relating to the daily operations of the municipality (including repairs and maintenance as well as operating grant expenditure). These



items should be reviewed by the municipality to ensure that all non-priority expenditure is eliminated.

### 1.6.1 Priority given to repairs and maintenance

National Treasury observed that budget appropriations for asset renewal as part of the capital programme and operational repairs and maintenance of existing asset infrastructure is still not receiving adequate priority by municipalities, regardless of guidance supplied in previous Budget Circulars. Asset management is a strategic imperative for any municipality and needs to be prioritised as a spending objective in the budget of municipalities.

For the 2016/17 budgets and MTREF's, municipalities must ensure they prioritise asset management and take into consideration the following:

- 1) 40 per cent of its 2016/17 to 2018/19 Capital Budget should be allocated to the renewal of existing assets it.
- 2) Operational repairs and maintenance should not be less than 8 per cent of the asset value (write down value) of the municipality's Property Plant and Equipment (PPE) and / or 6 percent for the 2016/17 aligned with the Long Term Financial Plan approve during December 2015.

The municipality have made great strides to achieve both these benchmarks. A large contributing factor to reaching the required levels of repairs and maintenance can be attributed to the costing system of the municipality where employee related costs directly related to repairs and maintenance projects now accurately being allocated to this line item.

**Table 4 Repairs and maintenance per asset class**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Repairs and Maintenance by Asset Class</b>	11 960	9 921	11 242	10 911	12 365	11 491	27 268	27 362	29 217
Infrastructure - Road transport	5 037	1 468	1 582	1 275	1 275	1 255	6 078	5 427	5 720
Infrastructure - Electricity	1 028	1 080	781	823	823	783	3 033	3 220	3 411
Infrastructure - Water	989	1 052	2 292	950	2 000	2 000	4 702	4 891	5 248
Infrastructure - Sanitation	379	435	487	420	460	455	2 836	2 502	2 642
Infrastructure - Other	–	–	–	620	919	879	1 266	1 328	1 380
Infrastructure	7 433	4 035	5 142	4 088	5 477	5 371	17 914	17 368	18 401
Community	–	–	–	785	689	539	779	877	928
Other assets	4 527	5 885	6 099	6 039	6 200	5 580	8 574	9 117	9 889
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>19 397</b>	<b>20 645</b>	<b>21 329</b>	<b>19 200</b>	<b>23 634</b>	<b>21 259</b>	<b>38 155</b>	<b>38 250</b>	<b>40 105</b>
<b>Renewal of Existing Assets as % of total capex</b>	53.8%	52.2%	80.4%	40.3%	46.7%	39.6%	58.1%	35.1%	45.3%
<b>Renewal of Existing Assets as % of deprecn"</b>	315.9%	161.4%	476.3%	106.5%	105.7%	91.3%	131.5%	93.1%	80.3%
<b>R&amp;M as a % of PPE</b>	4.6%	3.4%	3.7%	3.6%	3.9%	3.6%	8.2%	7.8%	8.0%
<b>Renewal and R&amp;M as a % of PPE</b>	12.0%	8.0%	17.0%	6.0%	7.0%	6.0%	11.0%	9.0%	9.0%

### **1.6.2 Free Basic Services: Basic Social Services Package**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is financed by the municipality self and largely by utilising the municipality's unconditional equitable share grant, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act. The cost associated with indigent subsidies amounts to R7.702 million in 2016/17 and increases to R8.087 million and R8.410 million in the 2 outer years respectively. These figures do not include the 50 kWh electricity provided to indigents.

## 1.7 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 5 2016/17 Medium-term capital budget per vote**

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure - Vote</b>									
<b><u>Multi-year expenditure to be appropriated</u></b>									
Vote 3 - Corporate Services	-	-	-	-	-	-	80	80	50
Vote 4 - Community and Social Services	-	-	-	1 200	1 200	1 200	-	800	200
Vote 5 - Sport and Recreation	70	933	108	-	-	-	-	-	-
Vote 6 - Public Safety	103	-	-	-	-	-	-	-	-
Vote 7 - Road Transport	5 999	7 685	91	-	-	-	-	-	-
Vote 8 - Electricity	1 476	1 028	539	-	-	-	-	-	-
Vote 9 - Water	85	-	364	-	-	-	-	-	-
Vote 10 - Waste Water Management	9 068	7 494	-	-	-	-	-	-	-
Vote 11 - Waste Management	60	-	-	-	-	-	-	-	-
Vote 14 - Infrastructure	-	-	-	1 350	1 350	1 350	300	400	500
<b>Capital multi-year expenditure sub-total</b>	<b>16 861</b>	<b>17 140</b>	<b>1 102</b>	<b>2 550</b>	<b>2 550</b>	<b>2 550</b>	<b>380</b>	<b>1 280</b>	<b>750</b>
<b><u>Single-year expenditure to be appropriated</u></b>									
Vote 1 - Executive and Council	14	2 585	72	-	8	8	520	5	-
Vote 2 - Budget and Treasury Office	628	593	848	28	28	28	419	3	-
Vote 3 - Corporate Services	296	3	1 258	1 567	1 633	1 633	2 278	1 419	608
Vote 4 - Community and Social Services	2 589	6 470	4 733	5 851	6 233	6 233	3 423	2 603	1 115
Vote 5 - Sport and Recreation	1 018	246	1 879	-	-	-	-	-	-
Vote 6 - Public Safety	410	-	22	-	-	-	-	-	-
Vote 7 - Road Transport	2 359	1 774	10 003	-	-	-	-	-	-
Vote 8 - Electricity	452	1 140	2 213	3 430	3 966	3 966	3 640	3 220	3 220
Vote 9 - Water	8 267	45	117	-	-	-	-	-	-
Vote 10 - Waste Water Management	45	656	790	-	-	-	-	-	-
Vote 11 - Waste Management	10 714	2 501	36 676	-	-	-	-	-	-
Vote 13 - Other	-	-	42	-	-	-	-	-	-
Vote 14 - Infrastructure	-	-	-	8 446	11 094	8 094	13 971	20 345	13 605
<b>Capital single-year expenditure sub-total</b>	<b>26 792</b>	<b>16 014</b>	<b>58 654</b>	<b>19 321</b>	<b>22 962</b>	<b>19 962</b>	<b>24 252</b>	<b>27 595</b>	<b>18 548</b>
<b>Total Capital Expenditure - Vote</b>	<b>43 653</b>	<b>33 154</b>	<b>59 755</b>	<b>21 871</b>	<b>25 512</b>	<b>22 512</b>	<b>24 632</b>	<b>28 875</b>	<b>19 298</b>

The following table provides more information on the breakdown of the capital budget.

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>20 158</b>	<b>15 841</b>	<b>11 708</b>	<b>13 047</b>	<b>13 598</b>	<b>13 598</b>	<b>10 310</b>	<b>18 737</b>	<b>10 553</b>
Infrastructure - Road transport	4 934	7 131	3 126	2 921	2 637	2 637	1 300	850	–
Infrastructure - Electricity	677	2 926	2 033	2 300	2 859	2 859	1 200	2 100	2 100
Infrastructure - Water	7 828	–	374	240	240	240	2 527	3 500	–
Infrastructure - Sanitation	614	–	1 269	–	–	–	–	1 090	2 000
Infrastructure - Other	–	–	19	200	200	200	–	5 000	–
Infrastructure	14 052	10 056	6 821	5 661	5 936	5 936	5 027	12 540	4 100
Community	1 951	4 168	1 704	4 876	4 970	4 970	1 450	2 950	1 500
Other assets	3 703	1 451	2 729	2 510	2 642	2 642	3 685	3 247	4 953
Intangibles	452	166	454	–	50	50	148	–	–
<b>Total Renewal of Existing Assets</b>	<b>23 495</b>	<b>17 313</b>	<b>48 048</b>	<b>8 825</b>	<b>11 914</b>	<b>8 914</b>	<b>14 322</b>	<b>10 138</b>	<b>8 745</b>
Infrastructure - Road transport	3 040	4 751	9 428	1 800	1 800	1 800	6 735	7 950	6 105
Infrastructure - Electricity	1 224	957	678	1 110	1 087	1 087	2 420	1 100	1 100
Infrastructure - Water	158	45	386	–	300	300	1 129	400	500
Infrastructure - Sanitation	8 455	7 501	–	3 000	2 632	2 632	877	–	–
Infrastructure - Other	9 999	2 423	36 451	–	3 000	–	–	–	–
Infrastructure	22 875	15 678	46 943	5 910	8 819	5 819	11 162	9 450	7 705
Community	393	1 147	126	1 215	1 388	1 388	2 096	–	–
Other assets	227	488	704	1 700	1 707	1 707	1 064	688	1 040
Intangibles	–	–	275	–	–	–	–	–	–
<b>Total Capital Expenditure</b>									
Infrastructure - Road transport	7 973	11 882	12 554	4 721	4 437	4 437	8 035	8 800	6 105
Infrastructure - Electricity	1 901	3 883	2 711	3 410	3 946	3 946	3 620	3 200	3 200
Infrastructure - Water	7 986	45	760	240	540	540	3 656	3 900	500
Infrastructure - Sanitation	9 068	7 501	1 269	3 000	2 632	2 632	877	1 090	2 000
Infrastructure - Other	9 999	2 423	36 470	200	3 200	200	–	5 000	–
Infrastructure	36 927	25 734	53 764	11 571	14 755	11 755	16 189	21 990	11 805
Community	2 344	5 315	1 829	6 091	6 358	6 358	3 546	2 950	1 500
Other assets	3 930	1 939	3 434	4 209	4 349	4 349	4 749	3 935	5 993
Intangibles	452	166	729	–	50	50	148	–	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>43 653</b>	<b>33 154</b>	<b>59 755</b>	<b>21 871</b>	<b>25 512</b>	<b>22 512</b>	<b>24 632</b>	<b>28 875</b>	<b>19 298</b>

## 1.8 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2016/17 budget and MTREF to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 6 MBRR Table A1 - Budget Summary**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	34 763	39 325	42 895	49 956	49 899	49 899	54 671	60 155	66 188
Service charges	91 847	98 826	110 248	125 516	125 596	126 296	138 723	142 488	151 848
Investment revenue	2 050	1 889	1 849	1 970	1 970	1 970	1 900	1 900	1 900
Transfers recognised - operational	62 567	46 009	49 613	30 290	34 732	34 732	60 025	69 420	76 496
Other own revenue	11 244	14 408	16 299	14 809	22 001	22 001	23 280	23 924	24 816
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>202 471</b>	<b>200 457</b>	<b>220 904</b>	<b>222 541</b>	<b>234 198</b>	<b>234 898</b>	<b>278 599</b>	<b>297 887</b>	<b>321 247</b>
Employee costs	67 455	70 755	78 889	90 608	92 851	92 042	101 847	108 365	115 904
Remuneration of councillors	3 077	3 288	3 452	3 760	3 760	3 760	4 786	5 073	5 377
Depreciation & asset impairment	7 437	10 724	10 088	8 289	11 269	9 769	10 888	10 888	10 888
Finance charges	2 902	3 866	4 731	2 883	7 818	7 818	8 527	9 091	9 583
Materials and bulk purchases	49 044	54 261	57 447	72 802	72 552	70 052	75 101	78 683	83 256
Transfers and grants	–	–	–	1 539	1 619	1 499	1 783	1 764	1 839
Other expenditure	84 371	66 103	77 990	56 714	65 000	58 776	94 454	98 803	104 994
<b>Total Expenditure</b>	<b>214 286</b>	<b>208 996</b>	<b>232 596</b>	<b>236 597</b>	<b>254 869</b>	<b>243 715</b>	<b>297 385</b>	<b>312 667</b>	<b>331 840</b>
<b>Surplus/(Deficit)</b>	<b>(11 815)</b>	<b>(8 539)</b>	<b>(11 693)</b>	<b>(14 056)</b>	<b>(20 671)</b>	<b>(8 817)</b>	<b>(18 786)</b>	<b>(14 780)</b>	<b>(10 594)</b>
Transfers recognised - capital	23 712	20 204	17 856	13 464	13 271	13 271	11 931	11 833	11 666
Contributions recognised - capital & contributed as	–	–	–	–	659	659	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>11 897</b>	<b>11 665</b>	<b>6 163</b>	<b>(592)</b>	<b>(6 741)</b>	<b>5 113</b>	<b>(6 855)</b>	<b>(2 948)</b>	<b>1 072</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>43 653</b>	<b>33 154</b>	<b>59 755</b>	<b>21 871</b>	<b>25 512</b>	<b>22 512</b>	<b>24 632</b>	<b>28 875</b>	<b>19 298</b>
Transfers recognised - capital	23 712	20 204	17 856	13 464	13 271	13 271	11 931	11 833	11 666
Public contributions & donations	–	–	–	–	659	659	–	–	–
Borrowing	44	168	880	2 930	2 930	2 930	3 750	10 345	5 180
Internally generated funds	19 896	12 783	41 020	5 477	8 652	5 652	8 951	6 697	2 453
<b>Total sources of capital funds</b>	<b>43 653</b>	<b>33 154</b>	<b>59 755</b>	<b>21 871</b>	<b>25 512</b>	<b>22 512</b>	<b>24 632</b>	<b>28 875</b>	<b>19 298</b>

Description R thousands	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Financial position</b>									
Total current assets	40 906	40 278	41 459	24 722	37 510	45 463	40 910	40 886	50 475
Total non current assets	322 772	347 745	396 839	361 359	411 078	409 578	420 592	438 916	447 714
Total current liabilities	19 751	26 308	27 021	22 454	29 173	28 973	32 755	35 394	38 047
Total non current liabilities	52 267	58 391	101 790	71 767	116 668	111 468	121 002	139 609	154 271
Community wealth/Equity	291 660	303 325	309 488	291 860	302 747	314 601	307 746	304 798	305 870
<b>Cash flows</b>									
Net cash from (used) operating	31 892	32 373	19 933	8 418	10 231	20 585	12 058	14 619	19 381
Net cash from (used) investing	(33 818)	(35 319)	(22 383)	(21 685)	(22 457)	(22 457)	(24 627)	(28 871)	(19 294)
Net cash from (used) financing	(96)	(209)	(123)	2 724	4 729	2 329	3 376	9 305	4 115
Cash/cash equivalents at the year end	24 562	21 407	18 834	2 182	11 337	19 291	10 098	5 151	9 354
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	24 698	21 452	18 834	2 227	11 337	19 291	10 098	5 151	9 354
Application of cash and investments	10 889	10 838	8 144	(14 087)	822	(4 333)	(4 486)	(13 495)	(13 746)
Balance - surplus (shortfall)	13 809	10 614	10 690	16 314	10 515	23 623	14 584	18 647	23 100
<b>Asset management</b>									
Asset register summary (WDV)	303 221	329 626	343 505	344 178	357 451	357 451	373 898	394 928	406 041
Depreciation & asset impairment	7 437	10 724	10 088	8 289	11 269	9 769	10 888	10 888	10 888
Renewal of Existing Assets	23 495	17 313	48 048	8 825	11 914	8 914	14 322	10 138	8 745
Repairs and Maintenance	11 960	9 921	11 242	10 911	12 365	11 491	27 268	27 362	29 217
<b>Free services</b>									
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	5 415	5 917	7 636	7 680	7 657	6 957	7 870	8 255	8 578
<b>Households below minimum service level</b>									
Water:	1	1	1	1	1	1	1	1	1
Sanitation/sew erage:	1	1	1	1	1	1	1	1	1
Energy:	1	1	1	1	1	1	1	1	1
Refuse:	1	1	1	1	1	1	1	1	1

## Explanatory notes to MBRR Table A1 - Budget Summary

- Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - The accumulated surplus is positive over the MTREF
  - Capital expenditure is balanced by capital funding sources, of which
    - Transfers recognised is reflected on the Financial Performance Budget;

- ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
- iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.

**Table 7 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue - Standard</b>									
<i><b>Governance and administration</b></i>	<b>112 770</b>	<b>99 240</b>	<b>62 825</b>	<b>70 682</b>	<b>71 496</b>	<b>72 196</b>	<b>77 523</b>	<b>84 900</b>	<b>92 994</b>
Executive and council	73 985	55 907	12 826	13 309	13 703	14 403	15 373	17 169	18 924
Budget and treasury office	37 889	42 714	48 012	55 423	55 781	55 781	59 673	65 412	71 720
Corporate services	896	618	1 987	1 951	2 013	2 013	2 477	2 319	2 350
<i><b>Community and public safety</b></i>	<b>11 834</b>	<b>14 005</b>	<b>41 828</b>	<b>16 696</b>	<b>27 253</b>	<b>27 253</b>	<b>51 738</b>	<b>58 526</b>	<b>63 365</b>
Community and social services	4 975	6 296	31 070	4 983	5 083	5 083	6 148	6 027	6 404
Sport and recreation	3 992	4 254	5 452	5 415	5 564	5 564	6 601	6 075	6 441
Public safety	2 868	3 455	5 306	3 999	10 814	10 814	10 889	10 924	11 021
Housing	–	–	–	2 300	5 792	5 792	28 100	35 500	39 500
<i><b>Economic and environmental services</b></i>	<b>3 266</b>	<b>212</b>	<b>12 042</b>	<b>12 376</b>	<b>12 468</b>	<b>12 468</b>	<b>12 324</b>	<b>12 138</b>	<b>12 614</b>
Planning and development	–	–	923	12 376	12 468	12 468	12 324	12 138	12 614
Road transport	3 266	212	11 119	–	–	–	–	–	–
<i><b>Trading services</b></i>	<b>98 313</b>	<b>107 204</b>	<b>122 065</b>	<b>136 251</b>	<b>136 910</b>	<b>136 910</b>	<b>148 946</b>	<b>154 155</b>	<b>163 939</b>
Electricity	65 680	71 612	78 254	89 511	90 170	90 170	97 118	99 603	106 430
Water	16 392	17 163	20 690	21 853	21 853	21 853	23 929	25 365	26 887
Waste water management	6 435	7 656	9 769	9 577	9 577	9 577	10 487	11 117	11 785
Waste management	9 806	10 773	13 352	15 311	15 311	15 311	17 412	18 071	18 837
<b>Total Revenue - Standard</b>	<b>226 183</b>	<b>220 661</b>	<b>238 760</b>	<b>236 005</b>	<b>248 128</b>	<b>248 828</b>	<b>290 530</b>	<b>309 720</b>	<b>332 912</b>
<b>Expenditure - Standard</b>									
<i><b>Governance and administration</b></i>	<b>93 731</b>	<b>80 090</b>	<b>63 612</b>	<b>65 659</b>	<b>69 972</b>	<b>66 655</b>	<b>76 133</b>	<b>78 974</b>	<b>83 560</b>
Executive and council	48 476	35 382	14 744	16 682	16 783	15 711	18 465	18 911	19 850
Budget and treasury office	24 862	27 513	31 334	31 219	34 780	33 564	37 298	38 600	40 686
Corporate services	20 393	17 195	17 533	17 758	18 410	17 380	20 370	21 463	23 025
<i><b>Community and public safety</b></i>	<b>22 313</b>	<b>23 329</b>	<b>50 078</b>	<b>34 964</b>	<b>41 513</b>	<b>40 477</b>	<b>66 770</b>	<b>75 776</b>	<b>82 005</b>
Community and social services	10 155	9 749	33 003	12 562	12 673	11 885	13 917	14 564	15 417
Sport and recreation	6 709	6 979	8 170	8 802	8 968	8 900	9 822	10 249	10 948
Public safety	5 449	6 601	8 905	9 958	12 712	12 695	13 456	13 902	14 485
Housing	–	–	–	3 642	7 160	6 997	29 575	37 061	41 154
<i><b>Economic and environmental services</b></i>	<b>15 873</b>	<b>12 595</b>	<b>18 970</b>	<b>21 210</b>	<b>22 005</b>	<b>19 899</b>	<b>26 114</b>	<b>24 334</b>	<b>25 441</b>
Planning and development	–	–	3 497	8 187	8 106	6 935	9 807	8 192	8 429
Road transport	15 490	12 202	15 126	12 578	13 373	12 342	15 657	15 464	16 299
Environmental protection	383	393	346	445	525	622	651	678	714
<i><b>Trading services</b></i>	<b>82 369</b>	<b>92 982</b>	<b>99 937</b>	<b>114 763</b>	<b>121 378</b>	<b>116 684</b>	<b>128 368</b>	<b>133 584</b>	<b>140 834</b>
Electricity	57 034	61 937	66 277	81 553	82 204	80 016	86 009	90 126	95 234
Water	10 813	12 182	13 801	13 274	15 001	14 322	15 207	15 504	16 388
Waste water management	6 101	6 911	8 217	7 187	8 238	8 112	9 549	9 603	10 091
Waste management	8 420	11 952	11 641	12 749	15 934	14 233	17 603	18 351	19 120
<b>Total Expenditure - Standard</b>	<b>214 286</b>	<b>208 996</b>	<b>232 596</b>	<b>236 597</b>	<b>254 869</b>	<b>243 715</b>	<b>297 385</b>	<b>312 667</b>	<b>331 840</b>
<b>Surplus/(Deficit) for the year</b>	<b>11 897</b>	<b>11 665</b>	<b>6 163</b>	<b>(592)</b>	<b>(6 741)</b>	<b>5 113</b>	<b>(6 855)</b>	<b>(2 948)</b>	<b>1 072</b>

**Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.
4. The table includes capital grant revenue, but excludes internal charges between various departments such as electricity, water, sanitation and refuse. These items, although correctly included/excluded, should also be taken into account before coming to any conclusion with regards to the cost reflectiveness of tariffs and fees raised by the municipality.

**Table 8 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**



Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>									
Vote 1 - Executive and Council	73 985	55 907	12 826	13 309	13 703	14 403	15 373	17 169	18 924
Vote 2 - Budget and Treasury Office	37 889	42 714	48 012	55 423	55 781	55 781	59 673	65 412	71 720
Vote 3 - Corporate Services	896	618	2 910	2 740	2 802	2 802	3 369	3 296	3 421
Vote 4 - Community and Social Services	4 975	6 296	31 070	16 696	27 253	27 253	51 738	58 526	63 365
Vote 5 - Sport and Recreation	3 992	4 254	5 452	-	-	-	-	-	-
Vote 6 - Public Safety	2 868	3 455	5 306	-	-	-	-	-	-
Vote 7 - Road Transport	3 261	212	96	-	-	-	-	-	-
Vote 8 - Electricity	65 680	71 612	78 254	89 511	90 170	90 170	97 118	99 603	106 430
Vote 9 - Water	16 392	17 163	20 690	-	-	-	-	-	-
Vote 10 - Waste Water Management	6 435	7 656	9 769	-	-	-	-	-	-
Vote 11 - Waste Management	9 806	10 773	13 352	-	-	-	-	-	-
Vote 13 - Other	5	-	11 022	-	-	-	-	-	-
Vote 14 - Infrastructure	-	-	-	58 326	58 419	58 419	63 260	65 714	69 052
<b>Total Revenue by Vote</b>	<b>226 183</b>	<b>220 661</b>	<b>238 760</b>	<b>236 005</b>	<b>248 128</b>	<b>248 828</b>	<b>290 530</b>	<b>309 720</b>	<b>332 912</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - Executive and Council	48 476	35 382	14 744	16 682	16 783	15 711	18 465	18 911	19 850
Vote 2 - Budget and Treasury Office	24 862	27 513	31 334	31 219	34 780	33 564	37 298	38 600	40 686
Vote 3 - Corporate Services	20 393	17 195	21 030	23 083	23 761	21 871	25 944	27 179	28 800
Vote 4 - Community and Social Services	10 155	9 749	33 003	35 409	42 039	41 099	67 421	76 454	82 719
Vote 5 - Sport and Recreation	6 709	6 979	8 170	-	-	-	-	-	-
Vote 6 - Public Safety	5 449	6 601	8 905	-	-	-	-	-	-
Vote 7 - Road Transport	13 374	9 896	11 741	-	-	-	-	-	-
Vote 8 - Electricity	57 034	61 937	66 277	81 553	82 204	80 016	86 009	90 126	95 234
Vote 9 - Water	10 813	12 182	13 801	-	-	-	-	-	-
Vote 10 - Waste Water Management	6 101	6 911	8 217	-	-	-	-	-	-
Vote 11 - Waste Management	8 420	11 952	11 641	-	-	-	-	-	-
Vote 12 - Environmental Protection	383	393	346	-	-	-	-	-	-
Vote 13 - Other	2 116	2 306	3 385	-	-	-	-	-	-
Vote 14 - Infrastructure	-	-	-	48 650	55 303	51 454	62 248	61 398	64 552
<b>Total Expenditure by Vote</b>	<b>214 286</b>	<b>208 996</b>	<b>232 596</b>	<b>236 597</b>	<b>254 869</b>	<b>243 715</b>	<b>297 385</b>	<b>312 667</b>	<b>331 840</b>
<b>Surplus/(Deficit) for the year</b>	<b>11 897</b>	<b>11 665</b>	<b>6 163</b>	<b>(592)</b>	<b>(6 741)</b>	<b>5 113</b>	<b>(6 855)</b>	<b>(2 948)</b>	<b>1 072</b>

### Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

**Table 9 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue By Source</b>									
Property rates	34 763	39 325	42 895	49 956	49 899	49 899	54 671	60 155	66 188
Service charges - electricity revenue	65 092	69 614	75 494	86 845	86 845	86 845	95 198	96 660	103 426
Service charges - water revenue	15 168	15 853	18 957	20 408	20 408	20 658	22 393	23 750	25 202
Service charges - sanitation revenue	4 618	5 662	6 508	6 687	6 767	7 017	7 528	8 009	8 550
Service charges - refuse revenue	6 969	7 698	9 290	11 576	11 576	11 776	13 604	14 070	14 669
Rental of facilities and equipment	5 014	5 177	5 984	6 680	6 680	6 680	7 664	7 942	8 344
Interest earned - external investments	2 050	1 889	1 849	1 970	1 970	1 970	1 900	1 900	1 900
Interest earned - outstanding debtors	637	760	996	800	800	800	876	964	1 060
Fines	861	1 400	3 049	1 836	8 651	8 651	8 538	8 542	8 546
Licences and permits	1 036	963	1 077	330	330	330	347	364	379
Agency services	1 095	1 255	1 382	1 309	1 309	1 309	1 374	1 443	1 500
Transfers recognised - operating	62 567	46 009	49 613	30 290	34 732	34 732	60 025	69 420	76 496
Other revenue	2 600	4 854	3 810	3 855	4 182	4 182	4 481	4 671	4 987
Gains on disposal of PPE	-	-	-	-	50	50	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>202 471</b>	<b>200 457</b>	<b>220 904</b>	<b>222 541</b>	<b>234 198</b>	<b>234 898</b>	<b>278 599</b>	<b>297 887</b>	<b>321 247</b>
<b>Expenditure By Type</b>									
Employee related costs	67 455	70 755	78 889	90 608	92 851	92 042	101 847	108 365	115 904
Remuneration of councillors	3 077	3 288	3 452	3 760	3 760	3 760	4 786	5 073	5 377
Debt impairment	2 179	2 969	5 387	4 690	7 498	7 498	7 400	7 400	7 400
Depreciation & asset impairment	7 437	10 724	10 088	8 289	11 269	9 769	10 888	10 888	10 888
Finance charges	2 902	3 866	4 731	2 883	7 818	7 818	8 527	9 091	9 583
Bulk purchases	49 044	54 261	57 447	72 802	72 552	70 052	75 101	78 683	83 256
Contracted services	1 127	1 336	1 463	8 401	7 923	5 071	10 778	8 830	8 571
Transfers and grants	-	-	-	1 539	1 619	1 499	1 783	1 764	1 839
Other expenditure	74 290	60 532	70 606	43 623	49 579	46 206	76 276	82 573	89 022
Loss on disposal of PPE	6 775	1 266	535	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>214 286</b>	<b>208 996</b>	<b>232 596</b>	<b>236 597</b>	<b>254 869</b>	<b>243 715</b>	<b>297 385</b>	<b>312 667</b>	<b>331 840</b>
<b>Surplus/(Deficit)</b>	<b>(11 815)</b>	<b>(8 539)</b>	<b>(11 693)</b>	<b>(14 056)</b>	<b>(20 671)</b>	<b>(8 817)</b>	<b>(18 786)</b>	<b>(14 780)</b>	<b>(10 594)</b>
Transfers recognised - capital	23 712	20 204	17 856	13 464	13 271	13 271	11 931	11 833	11 666
Contributions recognised - capital	-	-	-	-	659	659	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>11 897</b>	<b>11 665</b>	<b>6 163</b>	<b>(592)</b>	<b>(6 741)</b>	<b>5 113</b>	<b>(6 855)</b>	<b>(2 948)</b>	<b>1 072</b>

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. Table A4 represents the revenue per source as well as the expenditure per type. This classification is aligned to the GRAP disclosures in the annual financial statements of the municipality.

**Table 10 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote 3 - Corporate Services	–	–	–	–	–	–	80	80	50
Vote 4 - Community and Social Services	–	–	–	1 200	1 200	1 200	–	800	200
Vote 5 - Sport and Recreation	70	933	108	–	–	–	–	–	–
Vote 6 - Public Safety	103	–	–	–	–	–	–	–	–
Vote 7 - Road Transport	5 999	7 685	91	–	–	–	–	–	–
Vote 8 - Electricity	1 476	1 028	539	–	–	–	–	–	–
Vote 9 - Water	85	–	364	–	–	–	–	–	–
Vote 10 - Waste Water Management	9 068	7 494	–	–	–	–	–	–	–
Vote 11 - Waste Management	60	–	–	–	–	–	–	–	–
Vote 14 - Infrastructure	–	–	–	1 350	1 350	1 350	300	400	500
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
<b>Capital multi-year expenditure sub-total</b>	<b>16 861</b>	<b>17 140</b>	<b>1 102</b>	<b>2 550</b>	<b>2 550</b>	<b>2 550</b>	<b>380</b>	<b>1 280</b>	<b>750</b>
<b>Single-year expenditure to be appropriated</b>									
Vote 1 - Executive and Council	14	2 585	72	–	8	8	520	5	–
Vote 2 - Budget and Treasury Office	628	593	848	28	28	28	419	3	–
Vote 3 - Corporate Services	296	3	1 258	1 567	1 633	1 633	2 278	1 419	608
Vote 4 - Community and Social Services	2 589	6 470	4 733	5 851	6 233	6 233	3 423	2 603	1 115
Vote 5 - Sport and Recreation	1 018	246	1 879	–	–	–	–	–	–
Vote 6 - Public Safety	410	–	22	–	–	–	–	–	–
Vote 7 - Road Transport	2 359	1 774	10 003	–	–	–	–	–	–
Vote 8 - Electricity	452	1 140	2 213	3 430	3 966	3 966	3 640	3 220	3 220
Vote 9 - Water	8 267	45	117	–	–	–	–	–	–
Vote 10 - Waste Water Management	45	656	790	–	–	–	–	–	–
Vote 11 - Waste Management	10 714	2 501	36 676	–	–	–	–	–	–
Vote 12 - Environmental Protection	–	–	–	–	–	–	–	–	–
Vote 13 - Other	–	–	42	–	–	–	–	–	–
Vote 14 - Infrastructure	–	–	–	8 446	11 094	8 094	13 971	20 345	13 605
<b>Capital single-year expenditure sub-total</b>	<b>26 792</b>	<b>16 014</b>	<b>58 654</b>	<b>19 321</b>	<b>22 962</b>	<b>19 962</b>	<b>24 252</b>	<b>27 595</b>	<b>18 548</b>
<b>Total Capital Expenditure - Vote</b>	<b>43 653</b>	<b>33 154</b>	<b>59 755</b>	<b>21 871</b>	<b>25 512</b>	<b>22 512</b>	<b>24 632</b>	<b>28 875</b>	<b>19 298</b>

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital Expenditure - Standard</b>									
<i>Governance and administration</i>	938	1 169	2 178	1 594	1 668	1 668	3 298	1 508	658
Executive and council	14	168	72	–	8	8	520	5	–
Budget and treasury office	628	999	848	28	28	28	419	3	–
Corporate services	296	3	1 258	1 567	1 633	1 633	2 358	1 499	658
<b>Community and public safety</b>	4 191	7 664	6 742	7 051	7 433	7 433	3 423	3 403	1 315
Community and social services	2 589	6 485	4 733	5 315	5 411	5 411	1 453	1 795	200
Sport and recreation	1 088	1 179	1 987	1 429	1 524	1 524	1 941	665	135
Public safety	513	–	22	307	333	333	29	943	980
Housing	–	–	–	–	165	165	–	–	–
<b>Economic and environmental services</b>	8 358	9 459	10 094	5 246	4 962	4 962	9 737	10 755	7 605
Planning and development	–	–	–	–	–	–	1 702	1 755	1 500
Road transport	8 358	9 459	10 094	5 246	4 962	4 962	8 035	9 000	6 105
<b>Trading services</b>	30 166	14 862	40 698	7 980	11 448	8 448	8 174	13 210	9 720
Electricity	1 927	4 165	2 751	3 430	3 966	3 966	3 640	3 220	3 220
Water	8 352	45	481	240	540	540	3 656	3 900	500
Waste water management	9 113	8 150	790	4 050	3 682	3 682	877	1 090	2 000
Waste management	10 773	2 501	36 676	260	3 260	260	–	5 000	4 000
<i>Other</i>	–	–	42	–	–	–	–	–	–
<b>Total Capital Expenditure - Standard</b>	<b>43 653</b>	<b>33 154</b>	<b>59 755</b>	<b>21 871</b>	<b>25 512</b>	<b>22 512</b>	<b>24 632</b>	<b>28 875</b>	<b>19 298</b>
<b>Funded by:</b>									
National Government	18 607	11 307	12 615	13 245	12 592	12 592	10 476	11 648	11 666
Provincial Government	4 778	8 875	5 241	220	680	680	1 455	185	–
Other transfers and grants	328	21	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>	<b>23 712</b>	<b>20 204</b>	<b>17 856</b>	<b>13 464</b>	<b>13 271</b>	<b>13 271</b>	<b>11 931</b>	<b>11 833</b>	<b>11 666</b>
<b>Public contributions &amp; donations</b>	–	–	–	–	659	659	–	–	–
<b>Borrowing</b>	44	168	880	2 930	2 930	2 930	3 750	10 345	5 180
<b>Internally generated funds</b>	19 896	12 783	41 020	5 477	8 652	5 652	8 951	6 697	2 453
<b>Total Capital Funding</b>	<b>43 653</b>	<b>33 154</b>	<b>59 755</b>	<b>21 871</b>	<b>25 512</b>	<b>22 512</b>	<b>24 632</b>	<b>28 875</b>	<b>19 298</b>

### Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital program is funded from National, Provincial and Other grants and transfers, borrowing and internally generated funds from current and prior year surpluses.

**Table 11 MBRR Table A6 - Budgeted Financial Position**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	24 562	11 407	2 834	2 182	8 937	19 291	10 098	5 151	9 354
Call investment deposits	–	10 000	16 000	–	2 400	–	–	–	–
Consumer debtors	14 729	17 643	17 953	20 909	19 963	19 963	22 623	25 561	28 962
Other debtors	700	530	3 182	854	4 720	4 720	6 700	8 684	10 670
Current portion of long-term receivables	6	7	4	6	4	4	4	4	4
Inventory	909	692	1 485	770	1 485	1 485	1 485	1 485	1 485
<b>Total current assets</b>	<b>40 906</b>	<b>40 278</b>	<b>41 459</b>	<b>24 722</b>	<b>37 510</b>	<b>45 463</b>	<b>40 910</b>	<b>40 886</b>	<b>50 475</b>
<b>Non current assets</b>									
Long-term receivables	351	318	279	306	274	274	270	265	261
Investments	135	45	–	45	–	–	–	–	–
Investment property	40 753	40 714	40 706	40 683	40 697	40 697	40 689	41 020	41 012
Property, plant and equipment	261 948	288 347	301 674	302 231	315 736	315 736	332 166	352 986	364 229
Intangible	520	565	1 125	1 263	1 017	1 017	1 043	921	800
Other non-current assets	19 065	17 757	53 056	16 830	53 353	51 853	46 425	43 723	41 412
<b>Total non current assets</b>	<b>322 772</b>	<b>347 745</b>	<b>396 839</b>	<b>361 359</b>	<b>411 078</b>	<b>409 578</b>	<b>420 592</b>	<b>438 916</b>	<b>447 714</b>
<b>TOTAL ASSETS</b>	<b>363 678</b>	<b>388 024</b>	<b>438 298</b>	<b>386 081</b>	<b>448 588</b>	<b>455 041</b>	<b>461 503</b>	<b>479 801</b>	<b>498 189</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Borrowing	424	304	350	570	1 054	854	654	1 245	1 560
Consumer deposits	3 412	3 643	3 845	4 171	4 152	4 152	4 402	4 666	4 946
Trade and other payables	8 521	12 743	11 339	6 970	11 345	11 345	13 973	14 622	15 503
Provisions	7 395	9 617	11 487	10 743	12 621	12 621	13 727	14 861	16 039
<b>Total current liabilities</b>	<b>19 751</b>	<b>26 308</b>	<b>27 021</b>	<b>22 454</b>	<b>29 173</b>	<b>28 973</b>	<b>32 755</b>	<b>35 394</b>	<b>38 047</b>
<b>Non current liabilities</b>									
Borrowing	656	504	1 012	2 385	4 729	2 529	5 857	14 307	17 827
Provisions	51 611	57 888	100 778	69 382	111 939	108 939	115 145	125 302	136 444
<b>Total non current liabilities</b>	<b>52 267</b>	<b>58 391</b>	<b>101 790</b>	<b>71 767</b>	<b>116 668</b>	<b>111 468</b>	<b>121 002</b>	<b>139 609</b>	<b>154 271</b>
<b>TOTAL LIABILITIES</b>	<b>72 018</b>	<b>84 699</b>	<b>128 811</b>	<b>94 221</b>	<b>145 841</b>	<b>140 441</b>	<b>153 757</b>	<b>175 003</b>	<b>192 319</b>
<b>NET ASSETS</b>	<b>291 660</b>	<b>303 325</b>	<b>309 488</b>	<b>291 860</b>	<b>302 747</b>	<b>314 601</b>	<b>307 746</b>	<b>304 798</b>	<b>305 870</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	273 160	287 575	291 738	291 860	291 497	306 101	297 746	299 798	296 870
Reserves	18 500	15 750	17 750	–	11 250	8 500	10 000	5 000	9 000
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>291 660</b>	<b>303 325</b>	<b>309 488</b>	<b>291 860</b>	<b>302 747</b>	<b>314 601</b>	<b>307 746</b>	<b>304 798</b>	<b>305 870</b>

## **Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table 12 MBRR Table A7 - Budgeted Cash Flow Statement**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	33 477	37 849	42 485	48 108	48 449	48 449	53 082	58 407	64 264
Service charges	93 542	100 096	106 753	120 873	121 946	122 646	134 691	138 346	147 434
Other revenue	13 918	7 722	11 531	12 572	15 888	15 888	16 010	16 557	17 337
Government - operating	65 387	49 875	45 586	30 290	34 732	34 732	60 025	69 420	76 496
Government - capital	21 726	19 924	16 526	13 464	13 171	13 171	11 931	11 833	11 666
Interest	2 712	2 660	2 845	2 740	2 747	2 747	2 750	2 835	2 929
<b>Payments</b>									
Suppliers and employees	(198 206)	(185 626)	(205 693)	(216 532)	(224 585)	(214 931)	(264 145)	(280 505)	(298 387)
Finance charges	(665)	(127)	(99)	(1 558)	(498)	(498)	(504)	(510)	(518)
Transfers and Grants	-	-	-	(1 539)	(1 619)	(1 619)	(1 783)	(1 764)	(1 839)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>31 892</b>	<b>32 373</b>	<b>19 933</b>	<b>8 418</b>	<b>10 231</b>	<b>20 585</b>	<b>12 058</b>	<b>14 619</b>	<b>19 381</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	230	-	-	-	50	50	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	4	4	4
Decrease (increase) other non-current receivables	29	33	41	6	4	4	-	-	-
Decrease (increase) in non-current investments	(377)	(21)	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	(33 700)	(35 330)	(22 425)	(21 691)	(22 512)	(22 512)	(24 632)	(28 875)	(19 298)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(33 818)</b>	<b>(35 319)</b>	<b>(22 383)</b>	<b>(21 685)</b>	<b>(22 457)</b>	<b>(22 457)</b>	<b>(24 627)</b>	<b>(28 871)</b>	<b>(19 294)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Borrowing long term/refinancing	44	-	-	2 930	5 330	2 930	3 750	10 345	5 180
Increase (decrease) in consumer deposits	260	231	202	273	308	308	249	264	280
<b>Payments</b>									
Repayment of borrowing	(399)	(440)	(325)	(478)	(908)	(908)	(623)	(1 304)	(1 345)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(96)</b>	<b>(209)</b>	<b>(123)</b>	<b>2 724</b>	<b>4 729</b>	<b>2 329</b>	<b>3 376</b>	<b>9 305</b>	<b>4 115</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(2 022)</b>	<b>(3 155)</b>	<b>(2 573)</b>	<b>(10 543)</b>	<b>(7 497)</b>	<b>457</b>	<b>(9 193)</b>	<b>(4 947)</b>	<b>4 202</b>
Cash/cash equivalents at the year begin:	26 585	24 562	21 407	12 726	18 834	18 834	19 291	10 098	5 151
Cash/cash equivalents at the year end:	24 562	21 407	18 834	2 182	11 337	19 291	10 098	5 151	9 354

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

**Table 13 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	24 562	21 407	18 834	2 182	11 337	19 291	10 098	5 151	9 354
Non current assets - Investments	135	45	–	45	–	–	–	–	–
<b>Cash and investments available:</b>	<b>24 698</b>	<b>21 452</b>	<b>18 834</b>	<b>2 227</b>	<b>11 337</b>	<b>19 291</b>	<b>10 098</b>	<b>5 151</b>	<b>9 354</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	2 351	5 529	172	153	72	72	72	72	72
Unspent borrowing	–	–	–	–	2 400	–	–	–	–
Other working capital requirements	(9 962)	(10 441)	(9 778)	(14 240)	(12 900)	(12 905)	(14 558)	(18 567)	(22 818)
Reserves to be backed by cash/investments	18 500	15 750	17 750	–	11 250	8 500	10 000	5 000	9 000
<b>Total Application of cash and investments:</b>	<b>10 889</b>	<b>10 838</b>	<b>8 144</b>	<b>(14 087)</b>	<b>822</b>	<b>(4 333)</b>	<b>(4 486)</b>	<b>(13 495)</b>	<b>(13 746)</b>
<b>Surplus(shortfall)</b>	<b>13 809</b>	<b>10 614</b>	<b>10 690</b>	<b>16 314</b>	<b>10 515</b>	<b>23 623</b>	<b>14 584</b>	<b>18 647</b>	<b>23 100</b>

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. As part of the budgeting and planning guidelines that informed the compilation of the 2016/17 MTREF the end objective of the medium-term framework is to ensure the budget is funded and aligned to section 18 of the MFMA.



**Table 14 MBRR Table A9 - Asset Management**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>20 158</b>	<b>15 841</b>	<b>11 708</b>	<b>13 047</b>	<b>13 598</b>	<b>13 598</b>	<b>10 310</b>	<b>18 737</b>	<b>10 553</b>
Infrastructure - Road transport	4 934	7 131	3 126	2 921	2 637	2 637	1 300	850	–
Infrastructure - Electricity	677	2 926	2 033	2 300	2 859	2 859	1 200	2 100	2 100
Infrastructure - Water	7 828	–	374	240	240	240	2 527	3 500	–
Infrastructure - Sanitation	614	–	1 269	–	–	–	–	1 090	2 000
Infrastructure - Other	–	–	19	200	200	200	–	5 000	–
Infrastructure	14 052	10 056	6 821	5 661	5 936	5 936	5 027	12 540	4 100
Community	1 951	4 168	1 704	4 876	4 970	4 970	1 450	2 950	1 500
Other assets	3 703	1 451	2 729	2 510	2 642	2 642	3 685	3 247	4 953
Intangibles	452	166	454	–	50	50	148	–	–
<b>Total Renewal of Existing Assets</b>	<b>23 495</b>	<b>17 313</b>	<b>48 048</b>	<b>8 825</b>	<b>11 914</b>	<b>8 914</b>	<b>14 322</b>	<b>10 138</b>	<b>8 745</b>
Infrastructure - Road transport	3 040	4 751	9 428	1 800	1 800	1 800	6 735	7 950	6 105
Infrastructure - Electricity	1 224	957	678	1 110	1 087	1 087	2 420	1 100	1 100
Infrastructure - Water	158	45	386	–	300	300	1 129	400	500
Infrastructure - Sanitation	8 455	7 501	–	3 000	2 632	2 632	877	–	–
Infrastructure - Other	9 999	2 423	36 451	–	3 000	–	–	–	–
Infrastructure	22 875	15 678	46 943	5 910	8 819	5 819	11 162	9 450	7 705
Community	393	1 147	126	1 215	1 388	1 388	2 096	–	–
Other assets	227	488	704	1 700	1 707	1 707	1 064	688	1 040
Intangibles	–	–	275	–	–	–	–	–	–
<b>Total Capital Expenditure</b>									
Infrastructure - Road transport	7 973	11 882	12 554	4 721	4 437	4 437	8 035	8 800	6 105
Infrastructure - Electricity	1 901	3 883	2 711	3 410	3 946	3 946	3 620	3 200	3 200
Infrastructure - Water	7 986	45	760	240	540	540	3 656	3 900	500
Infrastructure - Sanitation	9 068	7 501	1 269	3 000	2 632	2 632	877	1 090	2 000
Infrastructure - Other	9 999	2 423	36 470	200	3 200	200	–	5 000	–
Infrastructure	36 927	25 734	53 764	11 571	14 755	11 755	16 189	21 990	11 805
Community	2 344	5 315	1 829	6 091	6 358	6 358	3 546	2 950	1 500
Other assets	3 930	1 939	3 434	4 209	4 349	4 349	4 749	3 935	5 993
Intangibles	452	166	729	–	50	50	148	–	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>43 653</b>	<b>33 154</b>	<b>59 755</b>	<b>21 871</b>	<b>25 512</b>	<b>22 512</b>	<b>24 632</b>	<b>28 875</b>	<b>19 298</b>

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport	52 355	62 728	73 364	72 546	76 024	76 024	82 459	89 658	94 163
Infrastructure - Electricity	35 697	38 600	39 922	43 021	42 586	42 586	44 965	46 924	48 883
Infrastructure - Water	30 767	33 009	33 235	29 040	32 731	32 731	35 391	38 295	37 799
Infrastructure - Sanitation	36 903	44 654	43 816	45 755	45 601	45 601	45 031	44 674	45 227
Infrastructure - Other	872	843	766	912	480	480	409	5 338	5 267
Infrastructure	156 593	179 834	191 103	191 274	197 421	197 421	208 254	224 888	231 338
Community	8 351	12 879	15 364	22 091	21 490	21 490	24 866	27 646	28 976
Investment properties	40 753	40 714	40 706	40 683	40 697	40 697	40 689	41 020	41 012
Other assets	97 004	95 633	95 207	88 866	96 825	96 825	99 045	100 452	103 916
Intangibles	520	565	1 125	1 263	1 017	1 017	1 043	921	800
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>303 221</b>	<b>329 626</b>	<b>343 505</b>	<b>344 178</b>	<b>357 451</b>	<b>357 451</b>	<b>373 898</b>	<b>394 928</b>	<b>406 041</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<u>Depreciation &amp; asset impairment</u>	7 437	10 724	10 088	8 289	11 269	9 769	10 888	10 888	10 888
<u>Repairs and Maintenance by Asset Class</u>	11 960	9 921	11 242	10 911	12 365	11 491	27 268	27 362	29 217
Infrastructure - Road transport	5 037	1 468	1 582	1 275	1 275	1 255	6 078	5 427	5 720
Infrastructure - Electricity	1 028	1 080	781	823	823	783	3 033	3 220	3 411
Infrastructure - Water	989	1 052	2 292	950	2 000	2 000	4 702	4 891	5 248
Infrastructure - Sanitation	379	435	487	420	460	455	2 836	2 502	2 642
Infrastructure - Other	-	-	-	620	919	879	1 266	1 328	1 380
Infrastructure	7 433	4 035	5 142	4 088	5 477	5 371	17 914	17 368	18 401
Community	-	-	-	785	689	539	779	877	928
Other assets	4 527	5 885	6 099	6 039	6 200	5 580	8 574	9 117	9 889
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>19 397</b>	<b>20 645</b>	<b>21 329</b>	<b>19 200</b>	<b>23 634</b>	<b>21 259</b>	<b>38 155</b>	<b>38 250</b>	<b>40 105</b>
<i>Renewal of Existing Assets as % of total capex</i>	53.8%	52.2%	80.4%	40.3%	46.7%	39.6%	58.1%	35.1%	45.3%
<i>Renewal of Existing Assets as % of deprecn"</i>	315.9%	161.4%	476.3%	106.5%	105.7%	91.3%	131.5%	93.1%	80.3%
<i>R&amp;M as a % of PPE</i>	4.6%	3.4%	3.7%	3.6%	3.9%	3.6%	8.2%	7.8%	8.0%
<i>Renewal and R&amp;M as a % of PPE</i>	12.0%	8.0%	17.0%	6.0%	7.0%	6.0%	11.0%	9.0%	9.0%

## Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations.

**Table 15 MBRR Table A10 - Basic Service Delivery Measurement**

Description	2012/13	2013/14	2014/15	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Household service targets</b>								
<b><u>Water:</u></b>								
Piped water inside dwelling	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	804	804	804	834	834	836	836	836
No water supply	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	804	804	804	834	834	836	836	836
<b>Total number of households</b>	<b>804</b>	<b>804</b>	<b>804</b>	<b>834</b>	<b>834</b>	<b>836</b>	<b>836</b>	<b>836</b>
<b><u>Sanitation/sewerage:</u></b>								
Flush toilet (connected to sewerage)	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-
Chemical toilet	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-
Bucket toilet	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	804	804	804	834	834	836	836	836
No toilet provisions	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	804	804	804	834	834	836	836	836
<b>Total number of households</b>	<b>804</b>	<b>804</b>	<b>804</b>	<b>834</b>	<b>834</b>	<b>836</b>	<b>836</b>	<b>836</b>
<b><u>Energy:</u></b>								
Electricity (at least min.service level)	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-
Electricity (< min.service level)	804	804	804	834	834	836	836	836
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	804	804	804	834	834	836	836	836
<b>Total number of households</b>	<b>804</b>	<b>804</b>	<b>804</b>	<b>834</b>	<b>834</b>	<b>836</b>	<b>836</b>	<b>836</b>
<b><u>Refuse:</u></b>								
Removed at least once a week	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-
Removed less frequently than once a week	804	804	804	834	834	836	836	836
Using communal refuse dump	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	804	804	804	834	834	836	836	836
<b>Total number of households</b>	<b>804</b>	<b>804</b>	<b>804</b>	<b>834</b>	<b>834</b>	<b>836</b>	<b>836</b>	<b>836</b>

Description	2012/13	2013/14	2014/15	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Households receiving Free Basic Service</u></b>								
Water (6 kilolitres per household per month)	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)	-	-	-	-	-	-	-	-
<b><u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u></b>								
Water (6 kilolitres per indigent household per month)	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)	-	-	-	-	-	-	-	-
<b><u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u></b>	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>	-	-	-	-	-	-	-	-
<b><u>Highest level of free service provided per household</u></b>								
Property rates (R value threshold)	15 000	15 000	15 000	15 000	-	15 000	15 000	15 000
Water (kilolitres per household per month)	6	6	6	6	-	6	6	6
Sanitation (kilolitres per household per month)	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)	50	50	50	50	-	50	50	50
Refuse (average litres per week)	-	-	-	-	-	-	-	-
<b><u>Revenue cost of subsidised services provided (R'000)</u></b>								
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	126	150	161	160	217	217	168	168
Water (in excess of 6 kilolitres per indigent household per month)	1 007	1 098	1 423	1 230	1 230	1 230	1 300	1 365
Sanitation (in excess of free sanitation service to indigent households)	1 717	1 872	2 427	2 836	2 756	2 756	2 900	3 045
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	2 565	2 797	3 626	3 455	3 455	3 455	3 502	3 677
Municipal Housing - rental rebates	-	-	-	-	-	-	-	-
Housing - top structure subsidies	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	<b>5 415</b>	<b>5 917</b>	<b>7 636</b>	<b>7 680</b>	<b>7 657</b>	<b>7 657</b>	<b>7 870</b>	<b>8 255</b>

## **Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

#### **POLITICAL OVERSIGHT OF THE BUDGET PROCESS**

Section 53 (1) (a) of the MFMA (no 56 of 2003) stipulates that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

Political oversight of the budget process is necessary to ensure that the needs and priorities of the community, as set out in the IDP, are properly linked to the municipality's spending plans. The mayoral committee is one of the key elements in accomplishing the linkage between the IDP and the Budget of a municipality.

#### **SCHEDULE OF KEY DEADLINES RELATING TO THE BUDGET PROCESS**

The mayor must, according to the MFMA, co-ordinate the processes for preparing the annual budget and for reviewing the municipality's IDP and budget-related policies. The mayor therefore tabled a schedule of key deadlines with regards to the budgetary process and the review of the municipality's IDP. These key dates are available on the website of the municipality

#### **PURPOSE OF THE BUDGET AND IDP PROCESS PLAN**

The purpose of the process plan is to indicate the various planned activities and strategies on which the municipality will embark to compose its Integrated Development Plan for the five year cycle (2013/2014-2017/2018) and the budget for the 2016/2017 financial year and the two outer years.

The process plan enhances integration and alignment between the IDP and the Budget, thereby ensuring the development of an IDP-based budget. It fulfils the role of an operational framework for the IDP and Budget process outlining the manner in which this process was undertaken. In addition, it identifies the activities in the processes around the key statutory annual operational processes of the budget and IDP compilation, performance management implementation and the adoption of the municipality's annual report.

#### **2.1.1 IDP and Service Delivery and Budget Implementation Plan**

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

### **2.1.2 Community Consultation**

A full consultation process will be carried out during March/April 2016. During this process members of the community will be afforded the opportunity to provide inputs and comments on the draft budget presented to them. The comments and inputs will be reviewed and where viable the proposed changes will be incorporated into the final budget to be approved by Council at least 30 days before the start of the next financial year.

## **2.2 Overview of alignment of annual budget with IDP**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The 2016/17 MTREF has therefore been directly informed by the IDP process and the following tables provide the reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 16 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	A	73 985	55 907	12 826	13 309	13 703	14 403	15 373	17 169	18 924
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	B	3 261	212	96	11 586	11 679	11 679	11 432	11 161	11 543
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.	C	65 680	71 612	78 254	89 511	90 170	90 170	97 118	99 603	106 430
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable quality water.	D	16 392	17 163	20 690	21 853	21 853	21 853	23 929	25 365	26 887
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality sewerage and sanitation services.	E	6 435	7 656	9 769	9 577	9 577	9 577	10 487	11 117	11 785
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	F	9 806	10 773	13 352	15 311	15 311	15 311	17 412	18 071	18 837
	Provide support services to all departments and contribute to the delivery of sustainable basic service delivery	G	5	–	11 022	–	–	–	–	–	–
	The allocation of sufficient funds to the protection and conservation of the municipal area	H	–	–	–	–	–	–	–	–	–
	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.	I	4 975	6 296	31 070	7 283	10 875	10 875	34 248	41 527	45 904
Social Development	To create and maintain public areas, sportsfields and resorts for the benefit of the community.	J	3 992	4 254	5 452	5 415	5 564	5 564	6 601	6 075	6 441
Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	K	37 889	42 714	48 012	55 423	55 781	55 781	59 673	65 412	71 720
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	L	896	618	2 910	2 740	2 802	2 802	3 369	3 296	3 421
Safety & Security	To create a safe and secure environment by providing traffic and related services.	M	2 868	3 455	5 306	3 999	10 814	10 814	10 889	10 924	11 021
Total Revenue (excluding capital transfers and contributions)			226 183	220 661	238 760	236 005	248 128	248 828	290 530	309 720	332 912

**Table 17 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	A	48 476	35 382	14 744	16 682	16 783	15 711	18 465	18 911	19 850
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	B	13 374	9 896	11 741	15 440	16 129	14 786	19 889	17 940	18 952
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.	C	57 034	61 937	66 277	81 553	82 204	80 016	86 009	90 126	95 234
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable quality water.	D	10 813	12 182	13 801	13 274	15 001	14 322	15 207	15 504	16 388
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality sewerage and sanitation services.	E	6 101	6 911	8 217	7 187	8 238	8 112	9 549	9 603	10 091
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	F	8 420	11 952	11 641	12 749	15 934	14 233	17 603	18 351	19 120
	Provide support services to all departments and contribute to the delivery of sustainable basic service delivery	G	2 116	2 306	3 385	–	–	–	–	–	–
	The allocation of sufficient funds to the protection and conservation of the municipal area	H	383	393	346	445	525	622	651	678	714
Environmental Protection											
Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.	I	10 155	9 749	33 003	16 204	19 834	18 882	43 492	51 625	56 572
	To create and maintain public areas, sportsfields and resorts for the benefit of the community.	J	6 709	6 979	8 170	8 802	8 968	8 900	9 822	10 249	10 948
Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	K	24 862	27 513	31 334	31 219	34 780	33 564	37 298	38 600	40 686
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	L	20 393	17 195	21 030	23 083	23 761	21 871	25 944	27 179	28 800
Safety & Security	To create a safe and secure environment by providing traffic and related services.	M	5 449	6 601	8 905	9 958	12 712	12 695	13 456	13 902	14 485
<b>Total Expenditure</b>			<b>214 286</b>	<b>208 996</b>	<b>232 596</b>	<b>236 597</b>	<b>254 869</b>	<b>243 715</b>	<b>297 385</b>	<b>312 667</b>	<b>331 840</b>



**Table 18 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	A	14	2 585	72	–	–	–	–	–	–
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	B	8 358	9 459	10 094	5 246	4 962	4 962	9 737	10 755	7 605
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.	C	1 927	2 168	2 751	3 430	3 966	3 966	3 640	3 220	3 220
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable quality water.	D	8 352	45	481	240	540	540	3 656	3 900	500
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality sewerage and sanitation services.	E	9 113	8 150	790	4 050	3 682	3 682	877	1 090	2 000
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	F	10 773	2 501	36 676	260	3 260	260	–	5 000	4 000
	Provide support services to all departments and contribute to the delivery of sustainable basic service delivery	G	–	–	42	–	–	–	–	–	–
	The allocation of sufficient funds to the protection and conservation of the municipal area	H	–	–	–	–	–	–	–	–	–
Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.	I	2 589	6 470	4 733	5 315	5 576	5 576	1 453	1 795	200
Financial Viability	To create and maintain public areas, sportsfields and resorts for the benefit of the community.	J	1 088	1 179	1 987	1 429	1 524	1 524	1 941	665	135
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	K	628	593	848	28	36	36	939	8	–
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms	L	296	3	1 258	1 567	1 633	1 633	2 358	1 499	658
Safety & Security	To create a safe and secure environment by providing traffic and related services.	M	513	–	22	307	333	333	29	943	980
Total Capital Expenditure			43 653	33 154	59 755	21 871	25 512	22 512	24 632	28 875	19 298

## Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the

performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

Description	Unit of measurement	2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
		Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Vote 1 - vote name</b>						
<b>Corporate services</b>						
<b>Institutional Transformation and Organisational Development</b>						
Implementation of a biometric access control system in the municipal buildings by the end of March	Access control system implemented for the municipality	50.0%	50.0%	50.0%	50.0%	50.0%
<b>Human Resource Mngement</b>						
Workplace skill Plan Implementation	Spent 0.5% of the operational budget on implementing workplace skills plan {(Actual amount spent on training/total operational budget)x 100}	0.5%	0.5%	0.5%	0.5%	0.5%
<b>Community services</b>						
Social Development						
Completion of Phase two Thusong Centre	Project completed by end of June 2016	100.0%	100.0%	100.0%		
<b>Function 2 - (name)</b>						
<b>Human Development</b>						
Provide free basic servicers	Number of HH receiving free basic water	3280	3280	3280	3300	3400
<b>Infrastructure Services</b>						
Civil Engineering						
Road transport	95% of the roads and stormwater maintenance & capital budget spent	95.0%	95.0%	95.0%	95.0%	95.0%
<b>Provision of Infrastructure for Basic Service Delivery</b>						
Water	95% of the water maintenance & capital budget spent	95.0%	95.0%	95.0%	95.0%	95.0%
<b>Provision of Infrastructure for Basic Service Delivery</b>						
Sewerage	95% of the sewerage maintenance & capital budget spent	95.0%	95.0%	95.0%	95.0%	95.0%
<b>Provision of Infrastructure for Basic Service Delivery</b>						
Solid Waste	95% of the solid waste maintenance & capital budget spent	95.0%	95.0%	95.0%	95.0%	95.0%
<b>Provision of Infrastructure for Basic Service Delivery</b>						
Electrical Engineering						
Electricity	95% of the electricity maintenance & capital budget spent	95.0%	95.0%	95.0%	95.0%	95.0%
Provision of Infrastructure for Basic Service Delivery						
<b>Vote 3 - vote name</b>						
<b>Financial Viability</b>						
<b>Finance</b>						
Budget & Treasury Office	Achieve a debtors payment percentage of at least 98% by 30 June	98.0%	98.0%	98.0%	98.0%	98.0%
Implement sound financial management, systems and procedures						
<b>Sub-function 2 - (name)</b>						
Budget & Treasury Office	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational	1.5	1.5	1.8%	2.1%	2.2%
Implement sound financial management, systems and procedures						

The following table sets out the municipalities main performance objectives and benchmarks for the 2016/17 MTREF.

**Table 19 MBRR Table SA8 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Borrowing Management</u></b>										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.5%	2.1%	2.2%	1.4%	3.4%	3.6%	3.1%	3.3%	3.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.4%	2.8%	3.0%	1.7%	4.4%	4.4%	4.2%	4.5%	4.5%
Borrowed funding of 'ow n' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.2%	0.0%	0.0%	34.9%	46.0%	34.1%	29.5%	60.7%	67.9%
<b><u>Safety of Capital</u></b>										
Gearing	Long Term Borrowing/ Funds & Reserves	3.5%	3.2%	5.7%	0.0%	42.0%	29.8%	58.6%	286.1%	198.1%
<b><u>Liquidity</u></b>										
Current Ratio	Current assets/current liabilities	2.1	1.5	1.5	1.1	1.3	1.6	1.2	1.2	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.1	1.5	1.5	1.1	1.3	1.6	1.2	1.2	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	1.2	0.8	0.7	0.1	0.4	0.7	0.3	0.1	0.2
<b><u>Revenue Management</u></b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.3%	99.9%	97.5%	96.3%	97.1%	97.1%	97.1%	97.1%
Current Debtors Collection Rate (Cash receipts % of Ratepay er & Other revenue)		100.3%	99.9%	97.4%	96.3%	97.1%	97.1%	97.1%	97.1%	97.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	7.8%	9.2%	9.7%	9.9%	10.7%	10.6%	10.6%	11.6%	12.4%
<b><u>Creditors Management</u></b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		25.1%	33.7%	56.0%	312.4%	93.9%	55.2%	131.5%	270.3%	158.3%
Employee costs	Employee costs/(Total Revenue - capital revenue)	33.3%	35.3%	35.7%	40.7%	39.6%	39.2%	36.6%	36.4%	36.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34.8%	36.9%	37.3%	42.4%	41.3%	40.8%	38.3%	38.1%	37.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.9%	4.9%	5.1%	4.9%	5.3%	4.9%	9.8%	9.2%	9.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5.1%	7.3%	6.7%	5.0%	8.1%	7.5%	7.0%	6.7%	6.4%
<b><u>IDP regulation financial viability indicators</u></b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	45.1	48.7	53.2	52.6	52.6	52.6	52.8	53.5	57.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	11.7%	12.7%	13.3%	12.0%	13.6%	13.5%	14.6%	16.3%	17.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.9	1.6	1.3	0.1	0.6	1.1	0.5	0.2	0.4

## Performance indicators and benchmarks

### 2.2.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position.

### 2.2.1.2 Safety of Capital

*The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

#### 2.2.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 2, hence at no point in time should this ratio be less than 2.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

#### 2.2.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. Payment levels and credit control is considered to be favorable.

#### 2.2.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice or statement. This has had a favorable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

#### 2.2.1.6 Other Indicators

- Employee costs is one of the main cost drivers in any municipality. Any increase in this balance should be carefully considered.
- Repairs and maintenance as percentage of operating revenue is showing an increasing trend over the MTREF. This is mainly due to the allocation of Employee Related Costs to Repairs and Maintenance when the Employee Related costs is related to a repairs and maintenance project.

### 2.3 Overview of budget related-policies

There are no amendments made to any budget related policies during the current year. All policies are in process of being reviewed. If needed, any policy changes will be taken to Council during the final approval of the budget at least 30 days before the start of the new financial year.

## 2.4 Overview of budget assumptions

### 2.4.1 External factors

The recovery rate of service debtors and rates are currently 97.1 per cent. The recovery rate of fines, which is also considered a significant revenue source is approximately 25%.

### 2.4.2 General inflation outlook and its impact on the municipal activities

The inflation outlook for South Africa is indicated below and has been taken into consideration in the compilation of the 2016/17 MTREF.

**Table 1: Macroeconomic performance and projections, 2014/15 – 2018/19**

Fiscal year	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Estimate	Forecast		
CPI Inflation	5.6%	5.4%	6.6%	6.2%	5.9%
Real GDP growth	1.6%	0.9%	1.2%	1.9%	2.5%

Source: 2016 Budget Review

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

A low oil price is contributing to the lower rate of inflation. However, the lower oil price is partially offset by the weakening in the Rand vs the Dollar. Inflation is also influenced by the current drought experience in large portion of the country that is contributing to higher food prices.

### 2.4.3 Credit rating outlook

The credit outlook of South Africa remained under pressure. The current electricity crisis in South Africa is a large contributing factor to this pressure, as the uncertainties surrounding the supply of electricity is negatively impacting on any possible growth opportunities.

### Interest rates for borrowing and investment of funds

Interest rates are currently in an upward cycle and more interest rate increases can be expected within the near future to curb the inflation risk. The inflation rate is currently above the target range of the South African Reserve Bank (3 % – 6 %).

### 2.4.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage of annual billings. Cash flow is assumed to be 97.1 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

#### **2.4.5 Growth or decline in tax base of the municipality**

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

#### **2.4.6 Salary increases**

The South African Local Government Bargaining Council recently entered into a three-year Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – 6 per cent (Average CPI (Feb 2015 – Jan 2016) + 1 per cent)
- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

These increases were factored into the MTREF.

#### **2.4.7 Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Too few people work;
- The quality of school education for black people is poor;
- Infrastructure is poorly located, inadequate and under-maintained;
- Spatial divides hobble inclusive development;
- The economy is unsustainably resource intensive;
- The public health system cannot meet demand or sustain quality;
- Public services are uneven and often of poor quality;
- Corruption levels are high; and
- South Africa remains a divided society.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

## 2.4.8 Ability of the municipality to spend and deliver on the programmes

It is estimated, based on prior year's performance and current spending trends, that both capital and operating expenditure will be no less than 95 per cent of the budgeted amounts.

## 2.5 Overview of budget funding

### 2.5.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Description R thousands	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Financial Performance</b>									
Property rates	34 763	39 325	42 895	49 956	49 899	49 899	54 671	60 155	66 188
Service charges	91 847	98 826	110 248	125 516	125 596	126 296	138 723	142 488	151 848
Investment revenue	2 050	1 889	1 849	1 970	1 970	1 970	1 900	1 900	1 900
Transfers recognised - operational	62 567	46 009	49 613	30 290	34 732	34 732	60 025	69 420	76 496
Other own revenue	11 244	14 408	16 299	14 809	22 001	22 001	23 280	23 924	24 816
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>202 471</b>	<b>200 457</b>	<b>220 904</b>	<b>222 541</b>	<b>234 198</b>	<b>234 898</b>	<b>278 599</b>	<b>297 887</b>	<b>321 247</b>
Employee costs	67 455	70 755	78 889	90 608	92 851	92 042	101 847	108 365	115 904

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation, solid waste removal, property rates, operating grants and other minor charges (such as building plan fees, licenses and permits etc.).

Investment revenue contributes marginally to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

### 2.5.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

**Table 20 MBRR Table A7 - Budget cash flow statement**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	33 477	37 849	42 485	48 108	48 449	48 449	53 082	58 407	64 264
Service charges	93 542	100 096	106 753	120 873	121 946	122 646	134 691	138 346	147 434
Other revenue	13 918	7 722	11 531	12 572	15 888	15 888	16 010	16 557	17 337
Government - operating	65 387	49 875	45 586	30 290	34 732	34 732	60 025	69 420	76 496
Government - capital	21 726	19 924	16 526	13 464	13 171	13 171	11 931	11 833	11 666
Interest	2 712	2 660	2 845	2 740	2 747	2 747	2 750	2 835	2 929
<b>Payments</b>									
Suppliers and employees	(198 206)	(185 626)	(205 693)	(216 532)	(224 585)	(214 931)	(264 145)	(280 505)	(298 387)
Finance charges	(665)	(127)	(99)	(1 558)	(498)	(498)	(504)	(510)	(518)
Transfers and Grants	-	-	-	(1 539)	(1 619)	(1 619)	(1 783)	(1 764)	(1 839)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>31 892</b>	<b>32 373</b>	<b>19 933</b>	<b>8 418</b>	<b>10 231</b>	<b>20 585</b>	<b>12 058</b>	<b>14 619</b>	<b>19 381</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	230	-	-	-	50	50	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	4	4	4
Decrease (increase) other non-current receivables	29	33	41	6	4	4	-	-	-
Decrease (increase) in non-current investments	(377)	(21)	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	(33 700)	(35 330)	(22 425)	(21 691)	(22 512)	(22 512)	(24 632)	(28 875)	(19 298)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(33 818)</b>	<b>(35 319)</b>	<b>(22 383)</b>	<b>(21 685)</b>	<b>(22 457)</b>	<b>(22 457)</b>	<b>(24 627)</b>	<b>(28 871)</b>	<b>(19 294)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Borrowing long term/refinancing	44	-	-	2 930	5 330	2 930	3 750	10 345	5 180
Increase (decrease) in consumer deposits	260	231	202	273	308	308	249	264	280
<b>Payments</b>									
Repayment of borrowing	(399)	(440)	(325)	(478)	(908)	(908)	(623)	(1 304)	(1 345)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(96)</b>	<b>(209)</b>	<b>(123)</b>	<b>2 724</b>	<b>4 729</b>	<b>2 329</b>	<b>3 376</b>	<b>9 305</b>	<b>4 115</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(2 022)</b>	<b>(3 155)</b>	<b>(2 573)</b>	<b>(10 543)</b>	<b>(7 497)</b>	<b>457</b>	<b>(9 193)</b>	<b>(4 947)</b>	<b>4 202</b>
Cash/cash equivalents at the year begin:	26 585	24 562	21 407	12 726	18 834	18 834	19 291	10 098	5 151
Cash/cash equivalents at the year end:	24 562	21 407	18 834	2 182	11 337	19 291	10 098	5 151	9 354

### 2.5.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section



18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**Table 21 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	24 562	21 407	18 834	2 182	11 337	19 291	10 098	5 151	9 354
Non current assets - Investments	135	45	-	45	-	-	-	-	-
<b>Cash and investments available:</b>	<b>24 698</b>	<b>21 452</b>	<b>18 834</b>	<b>2 227</b>	<b>11 337</b>	<b>19 291</b>	<b>10 098</b>	<b>5 151</b>	<b>9 354</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	2 351	5 529	172	153	72	72	72	72	72
Unspent borrowing	-	-	-	-	2 400	-	-	-	-
Other working capital requirements	(9 962)	(10 441)	(9 778)	(14 240)	(12 900)	(12 905)	(14 558)	(18 567)	(22 818)
Reserves to be backed by cash/investments	18 500	15 750	17 750	-	11 250	8 500	10 000	5 000	9 000
<b>Total Application of cash and investments:</b>	<b>10 889</b>	<b>10 838</b>	<b>8 144</b>	<b>(14 087)</b>	<b>822</b>	<b>(4 333)</b>	<b>(4 486)</b>	<b>(13 495)</b>	<b>(13 746)</b>
<b>Surplus(shortfall)</b>	<b>13 809</b>	<b>10 614</b>	<b>10 690</b>	<b>16 314</b>	<b>10 515</b>	<b>23 623</b>	<b>14 584</b>	<b>18 647</b>	<b>23 100</b>

The municipality will be cash funded for the entire MTREF. However, it is very important for the municipality to increase cash levels in order to allow for a contribution to the capital replacement reserve. The surplus indicated above for 2016/2017 is also supported by a positive working capital balance. This positive working capital balance is the result of the municipality's commitment to settle outstanding creditor balances on a timely basis. Creditor balances are thus always very low when compared to the current assets which include receivables.

Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges.

#### 2.5.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding

compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

**Table 22 MBRR SA10 – Funding compliance measurement**

Description	MFMA section	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 medium term revenue & expenditure framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Funding measures</b>											
Cash/cash equivalents at the year end - R'000	18(1)b	24 562	21 407	18 834	2 182	11 337	19 291	19 291	10 098	5 151	9 354
Cash + investments at the yr end less applications - R'000	18(1)b	13 809	10 614	10 690	16 314	10 515	23 623	23 623	14 584	18 647	23 100
Cash year end/monthly employee/supplier payments	18(1)b	1.9	1.6	1.3	0.1	0.6	1.1	1.1	0.5	0.2	0.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	11 897	11 665	6 163	(592)	(6 741)	5 113	5 113	(6 855)	(2 948)	1 072
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	3.1%	4.9%	8.6%	(6.0%)	(5.6%)	(6.0%)	4.2%	(1.2%)	1.6%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	102.2%	95.5%	94.9%	95.4%	94.3%	94.4%	94.4%	94.1%	94.1%	94.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	1.7%	2.1%	3.5%	2.7%	4.3%	4.3%	4.3%	3.8%	3.7%	3.4%
Capital payments % of capital expenditure	18(1)c;19	77.2%	106.6%	37.5%	99.2%	88.2%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.2%	0.0%	0.0%	34.9%	43.5%	31.7%	31.7%	29.5%	60.7%	67.9%
Grants % of Gov't. legislated/gazetted allocations	18(1)a								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	17.8%	16.3%	3.0%	13.4%	0.0%	0.0%	18.8%	16.8%	15.7%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(9.4%)	(12.4%)	9.8%	(10.4%)	0.0%	0.0%	(1.6%)	(1.6%)	(1.7%)
R&M % of Property Plant & Equipment	20(1)(vi)	4.6%	3.4%	3.7%	3.6%	3.9%	3.6%	8.6%	8.2%	7.8%	8.0%
Asset renewal % of capital budget	20(1)(vi)	53.8%	52.2%	80.4%	40.3%	46.7%	39.6%	0.0%	58.1%	35.1%	45.3%

#### 2.5.4.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

#### 2.5.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in the previous page. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### 2.5.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

#### 2.5.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to

externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus or deficit does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### *2.5.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue.

#### *2.5.4.6 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 95 per cent performance target, the cash flow statement has been conservatively determined when compared to actual results in 2014/2015. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

#### *2.5.4.7 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

#### *2.5.4.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent payments has been factored into the cash position forecasted over the entire financial year.

#### *2.5.4.9 Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers and therefore no percentage is being shown as outstanding.

#### *2.5.4.10 Consumer debtors change (Current and Non-current)*

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

#### *2.5.4.11 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. .

#### *2.5.4.12 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

## 2.6 Expenditure on grants and reconciliations of unspent funds

**Table 23 MBRR SA18 and 19 – Receipts and Expenditure on transfers and grant programmes**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>22 762</b>	<b>25 544</b>	<b>22 807</b>	<b>23 601</b>	<b>24 254</b>	<b>24 254</b>	<b>26 785</b>	<b>28 318</b>	<b>30 760</b>
Local Government Equitable Share	16 877	18 057	19 386	20 679	20 679	20 679	23 075	25 256	27 334
Finance Management	1 250	1 300	1 111	1 230	1 231	1 231	735	1 192	1 489
Municipal Systems Improvement	129	318	680	150	150	150	–	–	–
Municipal Infrastructure (MIG)	1 705	1 449	511	542	1 195	1 195	1 765	1 870	1 937
EPWP Incentive	294	1 000	1 120	1 000	1 000	1 000	1 210	–	–
RBIG	1 082	270	–	–	–	–	–	–	–
INEG	1 425	3 151	0	–	–	–	–	–	–
<b>Provincial Government:</b>	<b>42 600</b>	<b>24 208</b>	<b>22 779</b>	<b>6 689</b>	<b>10 477</b>	<b>10 477</b>	<b>33 240</b>	<b>41 102</b>	<b>45 736</b>
Housing	33 589	17 119	17 174	2 300	5 792	5 792	28 100	35 500	39 500
Community Development Workers	107	34	37	54	44	44	56	56	56
Subsidy Main Roads	4 575	159	57	73	73	73	73	–	–
Subsidy Libraries	4 063	3 596	4 028	4 250	4 250	4 250	4 806	5 306	5 820
Thusong Centre	265	–	174	12	12	12	–	–	–
Department of Agriculture, Forestry and Fisheries	–	3 000	–	–	–	–	–	–	–
Mandela Memorial Contribution	–	100	–	–	–	–	–	–	–
Provincial Financial Grant	–	200	1 310	–	307	307	120	240	360
Provincial Infrastructure Support Grant	–	–	–	–	–	–	85	–	–
<b>District Municipality:</b>	<b>–</b>	<b>111</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Mandela Memorial Contribution	–	111	–	–	–	–	–	–	–
<b>Other grant providers:</b>	<b>25</b>	<b>11</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
IDC (CAMELDA)	25	11	–	–	–	–	–	–	–
<b>Total Operating Transfers and Grants</b>	<b>65 387</b>	<b>49 875</b>	<b>45 586</b>	<b>30 290</b>	<b>34 732</b>	<b>34 732</b>	<b>60 025</b>	<b>69 420</b>	<b>76 496</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>15 007</b>	<b>14 670</b>	<b>12 615</b>	<b>13 245</b>	<b>12 592</b>	<b>12 592</b>	<b>10 476</b>	<b>11 648</b>	<b>11 666</b>
Municipal Infrastructure (MIG)	8 579	8 760	10 021	10 245	9 592	9 592	8 736	9 290	9 605
Finance Management	–	–	339	220	219	219	740	358	61
Municipal Systems Improvement	671	572	254	780	780	780	–	–	–
RBIG	4 476	5 288	–	–	–	–	–	–	–
EPWP Incentive	706	–	–	–	–	–	–	–	–
INEG	575	49	2 000	2 000	2 000	2 000	1 000	2 000	2 000
<b>Provincial Government:</b>	<b>6 719</b>	<b>5 254</b>	<b>3 911</b>	<b>220</b>	<b>580</b>	<b>580</b>	<b>1 455</b>	<b>185</b>	<b>–</b>
Community Development Workers	1	15	16	–	10	10	–	–	–
Sport and Recreation	–	–	–	–	–	–	700	–	–
Housing	–	2 825	3 402	–	–	–	–	–	–
GAP Housing Services	2 470	1 499	–	–	–	–	–	–	–
Basic Services (Housing)	1 413	–	–	–	–	–	–	–	–
Subsidy Libraries	100	915	345	21	21	21	544	185	–
Thusong Centre	235	–	48	199	199	199	211	–	–
Financial Support Grant	–	–	–	–	50	50	–	–	–
Provincial Contribution (Netball Court)	–	–	100	–	–	–	–	–	–
Provincial Contribution to the acceleration of housing	2 500	–	–	–	–	–	–	–	–
Municipal Infrastructure Support Grant	–	–	–	–	300	300	–	–	–
<b>Total Capital Transfers and Grants</b>	<b>21 726</b>	<b>19 924</b>	<b>16 526</b>	<b>13 464</b>	<b>13 171</b>	<b>13 171</b>	<b>11 931</b>	<b>11 833</b>	<b>11 666</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>87 113</b>	<b>69 799</b>	<b>62 112</b>	<b>43 754</b>	<b>47 903</b>	<b>47 903</b>	<b>71 956</b>	<b>81 253</b>	<b>88 162</b>

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	21 339	25 303	22 807	23 601	24 254	24 254	26 785	28 318	30 760
Local Government Equitable Share	16 877	18 057	19 386	20 679	20 679	20 679	23 075	25 256	27 334
Finance Management	1 249	1 300	1 111	1 230	1 231	1 231	735	1 192	1 489
Municipal Systems Improvement	133	318	680	150	150	150	–	–	–
Municipal Infrastructure (MIG)	1 705	1 449	511	542	1 195	1 195	1 765	1 870	1 937
EPWP Incentive	294	1 000	1 120	1 000	1 000	1 000	1 210	–	–
RBIG	1 082	270	–	–	–	–	–	–	–
INEG	–	2 910	0	–	–	–	–	–	–
<b>Provincial Government:</b>	41 118	20 593	26 806	6 689	10 477	10 477	33 240	41 102	45 736
Housing	34 208	13 285	21 125	2 300	5 792	5 792	28 100	35 500	39 500
Community Development Workers	76	59	107	54	44	44	56	56	56
Subsidy Main Roads	3 245	159	57	73	73	73	73	–	–
Subsidy Libraries	3 242	3 696	4 028	4 250	4 250	4 250	4 806	5 306	5 820
Thusong Centre	265	103	174	12	12	12	–	–	–
Masibambane Programme	–	68	–	–	–	–	–	–	–
Department of Agriculture, Forestry and Fisheries	–	2 928	–	–	–	–	–	–	–
Mandela Memorial Contribution	–	95	5	–	–	–	–	–	–
Provincial Financial Grant	81	200	1 310	–	307	307	120	240	360
Provincial Infrastructure Support Grant	–	–	–	–	–	–	85	–	–
<b>District Municipality:</b>	–	111	–	–	–	–	–	–	–
Mandela Memorial Contribution	–	111	–	–	–	–	–	–	–
<b>Other grant providers:</b>	110	1	–	–	–	–	–	–	–
IDC (CAMLEDA)	110	1	–	–	–	–	–	–	–
<b>Total operating expenditure of Transfers and Grants:</b>	<b>62 567</b>	<b>46 009</b>	<b>49 613</b>	<b>30 290</b>	<b>34 732</b>	<b>34 732</b>	<b>60 025</b>	<b>69 420</b>	<b>76 496</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	18 607	11 307	12 615	13 245	12 592	12 592	10 476	11 648	11 666
Municipal Infrastructure (MIG)	8 579	8 760	10 021	10 245	9 592	9 592	8 736	9 290	9 605
Finance Management	–	–	339	220	219	219	740	358	61
Municipal Systems Improvement	671	572	254	780	780	780	–	–	–
RBIG	7 835	1 926	–	–	–	–	–	–	–
EPWP Incentive	706	–	–	–	–	–	–	–	–
INEG	816	49	2 000	2 000	2 000	2 000	1 000	2 000	2 000
<b>Provincial Government:</b>	4 778	8 875	5 241	220	680	680	1 455	185	–
Community Development Workers	1	15	16	–	10	10	–	–	–
Sport and Recreation	–	–	–	–	–	–	700	–	–
Housing	–	2 825	3 394	–	–	–	–	–	–
GAP Housing Services	2 167	1 794	8	–	–	–	–	–	–
Basic Services (Housing)	614	649	150	–	–	–	–	–	–
Subsidy Libraries	100	915	1 067	21	21	21	544	185	–
Thusong Centre	1 896	736	48	199	199	199	211	–	–
Financial Support Grant	–	–	–	–	50	50	–	–	–
Provincial Contribution (Netball Court)	–	–	–	–	100	100	–	–	–
Provincial Contribution to the acceleration of housing	–	1 941	559	–	–	–	–	–	–
Municipal Infrastructure Support Grant	–	–	–	–	300	300	–	–	–
<b>Other grant providers:</b>	328	21	–	–	–	–	–	–	–
IDC (CAMLEDA)	328	21	–	–	–	–	–	–	–
<b>Total capital expenditure of Transfers and Grants</b>	<b>23 712</b>	<b>20 204</b>	<b>17 856</b>	<b>13 464</b>	<b>13 271</b>	<b>13 271</b>	<b>11 931</b>	<b>11 833</b>	<b>11 666</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>86 279</b>	<b>66 212</b>	<b>67 469</b>	<b>43 754</b>	<b>48 003</b>	<b>48 003</b>	<b>71 956</b>	<b>81 253</b>	<b>88 162</b>

**Table 24 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	(1 423)	(241)	–	–	–	–	–	–	–
Transfer from Capital	(241)	–	–	–	–	–	–	–	–
Current year receipts	22 762	25 544	22 807	23 601	24 254	24 254	26 785	28 318	30 760
<b>Conditions met - transferred to revenue</b>	<b>21 339</b>	<b>25 303</b>	<b>22 807</b>	<b>23 601</b>	<b>24 254</b>	<b>24 254</b>	<b>26 785</b>	<b>28 318</b>	<b>30 760</b>
Conditions still to be met - transferred to liabilities	(241)	–	–	–	–	–	–	–	–
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	(388)	376	4 099	153	72	72	72	72	72
Transfer from Capital	(718)	108	–	–	–	–	–	–	–
Current year receipts	42 600	24 208	22 779	6 689	10 477	10 477	33 240	41 102	45 736
<b>Conditions met - transferred to revenue</b>	<b>41 118</b>	<b>20 593</b>	<b>26 806</b>	<b>6 689</b>	<b>10 477</b>	<b>10 477</b>	<b>33 240</b>	<b>41 102</b>	<b>45 736</b>
Conditions still to be met - transferred to liabilities	376	4 099	72	153	72	72	72	72	72
<b>District Municipality:</b>									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	–	111	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>	<b>–</b>	<b>111</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>									
Balance unspent at beginning of the year	831	419	–	–	–	–	–	–	–
Transfer to capital	(328)	(21)	–	–	–	–	–	–	–
Paid back to provider	–	(408)	–	–	–	–	–	–	–
Current year receipts	25	11	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>	<b>110</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	419	–	–	–	–	–	–	–	–
<b>Total operating transfers and grants revenue</b>	<b>62 567</b>	<b>46 009</b>	<b>49 613</b>	<b>30 290</b>	<b>34 732</b>	<b>34 732</b>	<b>60 025</b>	<b>69 420</b>	<b>76 496</b>
<b>Total operating transfers and grants - CTBM</b>	<b>554</b>	<b>4 099</b>	<b>72</b>	<b>153</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>72</b>
<b>Capital transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	(4)	(3 363)	–	–	–	–	–	–	–
Transfer from operating	241	–	–	–	–	–	–	–	–
Current year receipts	15 007	14 670	12 615	13 245	12 592	12 592	10 476	11 648	11 666
<b>Conditions met - transferred to revenue</b>	<b>18 607</b>	<b>11 307</b>	<b>12 615</b>	<b>13 245</b>	<b>12 592</b>	<b>12 592</b>	<b>10 476</b>	<b>11 648</b>	<b>11 666</b>
Conditions still to be met - transferred to liabilities	(3 363)	–	–	–	–	–	–	–	–
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	2 500	5 160	1 430	–	100	100	–	–	–
Transfer from operating	718	(108)	–	–	–	–	–	–	–
Current year receipts	6 719	5 254	3 911	220	580	580	1 455	185	–
<b>Conditions met - transferred to revenue</b>	<b>4 778</b>	<b>8 875</b>	<b>5 241</b>	<b>220</b>	<b>680</b>	<b>680</b>	<b>1 455</b>	<b>185</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	5 160	1 430	100	–	–	–	–	–	–
<b>Other grant providers:</b>									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Transfer from operating	328	21	–	–	–	–	–	–	–
Current year receipts	–	–	–	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>	<b>328</b>	<b>21</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
<b>Total capital transfers and grants revenue</b>	<b>23 712</b>	<b>20 204</b>	<b>17 856</b>	<b>13 464</b>	<b>13 271</b>	<b>13 271</b>	<b>11 931</b>	<b>11 833</b>	<b>11 666</b>
<b>Total capital transfers and grants - CTBM</b>	<b>1 797</b>	<b>1 430</b>	<b>100</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>86 279</b>	<b>66 212</b>	<b>67 469</b>	<b>43 754</b>	<b>48 003</b>	<b>48 003</b>	<b>71 956</b>	<b>81 253</b>	<b>88 162</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>2 351</b>	<b>5 529</b>	<b>172</b>	<b>153</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>72</b>

## 2.7 Allocations and Grants made by the municipality

The following contributions are projected over the MTREF:

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash Transfers to Entities/Other External Mechanisms</b>									
CONTRIBUTION - ELIM COMMUNITY	-	-	-	300	300	300	300	315	328
CONTRIBUTION - KASSIEBAAI COMMUNITY	-	-	-	120	120	120	120	126	131
CONTRIBUTION - SHIPWRECK MUSEUM	-	-	-	50	50	50	50	53	55
CONTRIBUTION - TOURISM BURO	-	-	-	780	820	820	858	861	904
CONTRIBUTION - OVERBERG RADIO	-	-	-	75	75	75	100	100	100
OTHER CONTRIBUTIONS	-	-	-	214	254	134	355	309	322
<b>Total Cash Transfers To Entities/Ems'</b>	-	-	-	<b>1 539</b>	<b>1 619</b>	<b>1 499</b>	<b>1 783</b>	<b>1 764</b>	<b>1 839</b>
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	-	-	-	<b>1 539</b>	<b>1 619</b>	<b>1 499</b>	<b>1 783</b>	<b>1 764</b>	<b>1 839</b>



## 2.8 Councilor and employee benefits

**Table 25 MBRR SA22 - Summary of councilor and staff benefits**

Summary of Employee and Councillor remuneration R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Councillors (Political Office Bearers plus Other)</u></b>									
Basic Salaries and Wages	1 903	2 000	2 119	2 299	2 299	2 299	3 228	3 422	3 627
Pension and UIF Contributions	299	314	333	345	345	345	366	388	411
Motor Vehicle Allowance	733	765	812	874	874	874	926	982	1 041
Cellphone Allowance	141	209	188	239	239	239	255	270	286
Other benefits and allowances	–	–	–	4	4	4	12	12	13
<b>Sub Total - Councillors</b>	<b>3 077</b>	<b>3 288</b>	<b>3 452</b>	<b>3 760</b>	<b>3 760</b>	<b>3 760</b>	<b>4 786</b>	<b>5 073</b>	<b>5 377</b>
<b>% increase</b>		<b>6.9%</b>	<b>5.0%</b>	<b>8.9%</b>	<b>–</b>	<b>–</b>	<b>27.3%</b>	<b>6.0%</b>	<b>6.0%</b>
<b><u>Senior Managers of the Municipality</u></b>									
Basic Salaries and Wages	2 597	3 123	3 838	4 094	4 137	4 097	4 385	4 649	4 927
Pension and UIF Contributions	589	575	686	746	754	757	799	847	897
Medical Aid Contributions	–	153	196	214	129	189	136	145	153
Performance Bonus	421	428	513	629	629	651	667	707	749
Motor Vehicle Allowance	192	481	504	416	364	364	386	409	434
Cellphone Allowance	–	–	–	–	12	17	14	14	14
Other benefits and allowances	66	114	125	80	81	82	86	92	97
<b>Sub Total - Senior Managers of Municipality</b>	<b>3 865</b>	<b>4 873</b>	<b>5 861</b>	<b>6 179</b>	<b>6 106</b>	<b>6 156</b>	<b>6 474</b>	<b>6 862</b>	<b>7 273</b>
<b>% increase</b>		<b>26.1%</b>	<b>20.3%</b>	<b>5.4%</b>	<b>(1.2%)</b>	<b>0.8%</b>	<b>5.2%</b>	<b>6.0%</b>	<b>6.0%</b>
<b><u>Other Municipal Staff</u></b>									
Basic Salaries and Wages	44 130	45 800	49 716	57 383	59 019	57 855	64 052	69 266	74 847
Pension and UIF Contributions	5 746	6 605	7 770	10 066	10 363	10 010	11 220	12 091	13 032
Medical Aid Contributions	2 113	2 278	2 543	2 557	2 451	2 634	3 362	3 369	3 376
Overtime	2 380	2 978	3 093	2 434	2 434	2 554	3 087	3 272	3 468
Motor Vehicle Allowance	3 669	3 799	4 006	4 172	4 223	4 212	4 705	4 716	4 727
Cellphone Allowance	–	–	–	237	237	239	378	376	378
Housing Allowances	384	386	428	542	1 275	1 299	1 187	1 187	1 187
Other benefits and allowances	2 150	2 194	2 491	2 781	3 223	3 464	3 749	3 332	3 443
Payments in lieu of leave	1 391	79	924	500	950	1 050	875	875	875
Long service awards	407	366	376	489	498	498	498	520	550
Post-retirement benefit obligations	1 220	1 396	1 682	3 270	2 074	2 074	2 259	2 500	2 750
<b>Sub Total - Other Municipal Staff</b>	<b>63 590</b>	<b>65 882</b>	<b>73 029</b>	<b>84 430</b>	<b>86 745</b>	<b>85 886</b>	<b>95 372</b>	<b>101 503</b>	<b>108 631</b>
<b>% increase</b>		<b>3.6%</b>	<b>10.8%</b>	<b>15.6%</b>	<b>2.7%</b>	<b>(1.0%)</b>	<b>11.0%</b>	<b>6.4%</b>	<b>7.0%</b>
<b>Total Parent Municipality</b>	<b>70 532</b>	<b>74 042</b>	<b>82 342</b>	<b>94 368</b>	<b>96 611</b>	<b>95 802</b>	<b>106 632</b>	<b>113 438</b>	<b>121 281</b>
		<b>5.0%</b>	<b>11.2%</b>	<b>14.6%</b>	<b>2.4%</b>	<b>(0.8%)</b>	<b>11.3%</b>	<b>6.4%</b>	<b>6.9%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>70 532</b>	<b>74 042</b>	<b>82 342</b>	<b>94 368</b>	<b>96 611</b>	<b>95 802</b>	<b>106 632</b>	<b>113 438</b>	<b>121 281</b>
<b>% increase</b>		<b>5.0%</b>	<b>11.2%</b>	<b>14.6%</b>	<b>2.4%</b>	<b>(0.8%)</b>	<b>11.3%</b>	<b>6.4%</b>	<b>6.9%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>67 455</b>	<b>70 755</b>	<b>78 889</b>	<b>90 608</b>	<b>92 851</b>	<b>92 042</b>	<b>101 847</b>	<b>108 365</b>	<b>115 904</b>

**Table 26 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

Disclosure of Salaries, Allowances & Benefits Rand per annum	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
<b><u>Councillors</u></b>						
Speaker	398 112	59 717	176 277			634 106
Chief Whip	–	–	–			–
Executive Mayor	497 640	74 646	238 193			810 480
Deputy Executive Mayor	398 112	59 717	176 277			634 106
Executive Committee	359 175	70 039	166 740			595 954
Total for all other councillors	1 575 060	101 381	434 612			2 111 053
<b>Total Councillors</b>	<b>3 228 100</b>	<b>365 500</b>	<b>1 192 100</b>			<b>4 785 700</b>
<b><u>Senior Managers of the Municipality</u></b>						
Municipal Manager (MM)	1 144 500	280 600	76 300	168 600		1 670 000
Chief Finance Officer	880 900	205 500	150 500	125 400		1 362 300
Corporate Services	803 100	166 800	38 200	124 200		1 132 300
Community Services	778 300	206 900	68 100	124 200		1 177 500
Infrastructure Services	778 600	161 700	67 700	124 200		1 132 200
<b>Total Senior Managers of the Municipality</b>	<b>4 385 400</b>	<b>1 021 500</b>	<b>400 800</b>	<b>666 600</b>		<b>6 474 300</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>7 613 500</b>	<b>1 387 000</b>	<b>1 592 900</b>	<b>666 600</b>		<b>11 260 000</b>

**Table 27 MBRR SA24 – Summary of personnel numbers**

Summary of Personnel Numbers Number	2014/15			Current Year 2015/16			Budget Year 2016/17		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>									
Councillors (Political Office Bearers plus Other Councillors)	9	–	–	9	–	–	10	10	–
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
<b>Municipal employees</b>	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	6	1	5	6	1	5	5	–	4
Other Managers	22	20	–	18	15	–	18	15	–
Professionals	239	186	10	192	151	13	151	151	13
<i>Finance</i>	44	37	5	31	26	5	26	26	5
<i>Spatial/town planning</i>	10	8	1	10	9	–	9	9	–
<i>Information Technology</i>	1	1	–	2	1	1	1	1	1
<i>Roads</i>	48	32	2	41	35	2	35	35	2
<i>Electricity</i>	23	20	–	20	18	–	18	18	–
<i>Water</i>	63	55	2	38	29	5	29	29	5
<i>Sanitation</i>	50	33	–	50	33	–	33	33	–
<i>Refuse</i>	–	–	–	–	–	–	–	–	–
<i>Other</i>	–	–	–	–	–	–	–	–	–
Technicians	–	–	–	–	–	–	–	–	–
<i>Finance</i>	–	–	–	–	–	–	–	–	–
<i>Spatial/town planning</i>	–	–	–	–	–	–	–	–	–
<i>Information Technology</i>	–	–	–	–	–	–	–	–	–
<i>Roads</i>	–	–	–	–	–	–	–	–	–
<i>Electricity</i>	–	–	–	–	–	–	–	–	–
<i>Water</i>	–	–	–	–	–	–	–	–	–
<i>Sanitation</i>	–	–	–	–	–	–	–	–	–
<i>Refuse</i>	–	–	–	–	–	–	–	–	–
<i>Other</i>	–	–	–	–	–	–	–	–	–
Clerks (Clerical and administrative)	182	124	15	178	126	17	56	56	2
Service and sales workers	–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades	62	40	1	62	42	–	42	42	–
Plant and Machine Operators	–	–	–	–	–	–	–	–	–
Elementary Occupations	132	105	7	132	112	5	79	79	5
<b>TOTAL PERSONNEL NUMBERS</b>	<b>652</b>	<b>476</b>	<b>38</b>	<b>597</b>	<b>447</b>	<b>40</b>	<b>361</b>	<b>353</b>	<b>24</b>

## 2.9 Monthly targets for revenue, expenditure and cash flow

**Table 28 MBRR SA25 - Budgeted monthly revenue and expenditure**

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>															
<b>Revenue By Source</b>															
Property rates	54 206	(1)	6	(16)	(2)	–	–	17	(111)	(6)	607	(29)	54 671	60 155	66 188
Service charges - electricity revenue	7 962	8 365	8 708	8 528	7 778	8 583	7 000	7 480	7 768	7 867	8 667	6 493	95 198	96 660	103 426
Service charges - water revenue	1 705	1 752	1 786	1 767	1 843	2 095	1 928	2 053	2 146	1 966	1 968	1 385	22 393	23 750	25 202
Service charges - sanitation revenue	612	616	641	627	661	735	544	598	605	670	627	592	7 528	8 009	8 550
Service charges - refuse revenue	1 128	1 128	1 128	1 128	1 128	1 128	1 163	1 137	1 128	1 128	1 128	1 151	13 604	14 070	14 669
Rental of facilities and equipment	296	410	1 090	1 516	513	616	1 523	296	437	452	271	244	7 664	7 942	8 344
Interest earned - external investments	48	132	156	155	162	70	219	176	159	222	257	145	1 900	1 900	1 900
Interest earned - outstanding debtors	34	62	65	70	76	84	81	85	88	70	82	80	876	964	1 060
Fines	741	619	734	363	595	769	905	979	785	555	510	982	8 538	8 542	8 546
Licences and permits	30	25	26	38	27	30	31	30	29	27	27	28	347	364	379
Agency services	137	92	115	173	82	132	56	126	133	89	108	130	1 374	1 443	1 500
Transfers recognised - operating	10 777	3 086	3 086	3 086	10 777	3 086	3 086	3 086	10 777	3 086	3 086	3 006	60 025	69 420	76 496
Other revenue	137	693	401	410	469	615	384	180	164	212	442	374	4 481	4 671	4 987
<b>Total Revenue (excluding capital transfers and</b>	<b>77 814</b>	<b>16 978</b>	<b>17 942</b>	<b>17 845</b>	<b>24 110</b>	<b>17 942</b>	<b>16 919</b>	<b>16 242</b>	<b>24 108</b>	<b>16 337</b>	<b>17 780</b>	<b>14 582</b>	<b>278 599</b>	<b>297 887</b>	<b>321 247</b>
<b>Expenditure By Type</b>															
Employee related costs	7 817	7 819	7 837	8 291	12 533	8 082	9 248	8 127	8 072	8 354	8 184	7 482	101 847	108 365	115 904
Remuneration of councillors	379	368	373	373	373	373	373	581	399	399	399	399	4 786	5 073	5 377
Debt impairment	617	617	617	617	617	617	617	617	617	617	617	617	7 400	7 400	7 400
Depreciation & asset impairment	907	907	907	907	907	907	907	907	907	907	907	907	10 888	10 888	10 888
Finance charges	711	711	711	711	711	711	711	711	711	711	711	711	8 527	9 091	9 583
Bulk purchases	6 258	6 248	6 264	6 274	6 244	6 266	6 257	6 246	6 266	6 243	6 268	6 266	75 101	78 683	83 256
Contracted services	127	666	853	1 515	686	1 502	897	956	975	1 073	1 401	127	10 778	8 830	8 571
Transfers and grants	144	144	144	144	144	144	144	144	144	144	144	204	1 783	1 764	1 839
Other expenditure	4 762	5 318	4 878	6 026	5 965	9 223	3 514	5 920	5 696	9 114	6 925	8 935	76 276	82 573	89 022
<b>Total Expenditure</b>	<b>21 721</b>	<b>22 797</b>	<b>22 583</b>	<b>24 857</b>	<b>28 179</b>	<b>27 823</b>	<b>22 666</b>	<b>24 208</b>	<b>23 786</b>	<b>27 561</b>	<b>25 555</b>	<b>25 649</b>	<b>297 385</b>	<b>312 667</b>	<b>331 840</b>
<b>Surplus/(Deficit)</b>	<b>56 093</b>	<b>(5 818)</b>	<b>(4 640)</b>	<b>(7 012)</b>	<b>(4 070)</b>	<b>(9 881)</b>	<b>(5 747)</b>	<b>(7 966)</b>	<b>322</b>	<b>(11 224)</b>	<b>(7 775)</b>	<b>(11 067)</b>	<b>(18 786)</b>	<b>(14 780)</b>	<b>(10 594)</b>
Transfers recognised - capital	195	423	900	720	372	1 122	231	1 077	2 459	946	1 050	2 436	11 931	11 833	11 666
<b>Surplus/(Deficit)</b>	<b>56 288</b>	<b>(5 395)</b>	<b>(3 741)</b>	<b>(6 292)</b>	<b>(3 697)</b>	<b>(8 759)</b>	<b>(5 515)</b>	<b>(6 889)</b>	<b>2 781</b>	<b>(10 278)</b>	<b>(6 725)</b>	<b>(8 631)</b>	<b>(6 855)</b>	<b>(2 948)</b>	<b>1 072</b>

**Table 29 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description R thousand	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>															
Vote 1 - Executive and Council	7 043	(654)	(664)	(658)	7 014	(720)	(494)	(627)	7 021	(685)	(670)	(531)	15 373	17 169	18 924
Vote 2 - Budget and Treasury Office	54 438	412	410	392	427	363	480	432	289	445	1 134	450	59 673	65 412	71 720
Vote 3 - Corporate Services	123	359	390	480	295	372	474	140	163	183	233	158	3 369	3 296	3 421
Vote 4 - Community and Social Services	4 007	4 023	4 687	4 714	4 036	4 415	5 099	4 295	4 307	3 953	3 825	4 377	51 738	58 526	63 365
Vote 8 - Electricity	7 997	8 538	8 866	8 670	7 900	8 807	7 090	7 609	8 027	7 990	8 848	6 775	97 118	99 603	106 430
Vote 14 - Infrastructure	4 401	4 724	5 154	4 966	4 811	5 828	4 501	5 470	6 761	5 397	5 460	5 788	63 260	65 714	69 052
<b>Total Revenue by Vote</b>	<b>78 009</b>	<b>17 402</b>	<b>18 842</b>	<b>18 565</b>	<b>24 482</b>	<b>19 065</b>	<b>17 151</b>	<b>17 319</b>	<b>26 567</b>	<b>17 283</b>	<b>18 830</b>	<b>17 017</b>	<b>290 530</b>	<b>309 720</b>	<b>332 912</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - Executive and Council	1 229	1 345	1 344	1 563	1 679	1 805	1 323	1 669	1 468	1 773	1 638	1 630	18 465	18 911	19 850
Vote 2 - Budget and Treasury Office	2 509	2 790	2 781	3 284	3 722	3 793	2 806	3 046	3 005	3 675	3 381	2 506	37 298	38 600	40 686
Vote 3 - Corporate Services	1 879	2 015	1 955	2 288	3 014	2 805	1 985	2 198	2 151	2 806	2 416	431	25 944	27 179	28 800
Vote 4 - Community and Social Services	5 007	5 157	5 102	5 476	6 400	5 984	5 205	5 364	5 313	5 989	5 597	6 827	67 421	76 454	82 719
Vote 8 - Electricity	7 052	7 082	7 060	7 151	7 440	7 304	7 085	7 134	7 119	7 317	7 191	7 074	86 009	90 126	95 234
Vote 14 - Infrastructure	4 044	4 409	4 340	5 095	5 925	6 132	4 262	4 797	4 731	6 001	5 332	7 180	62 248	61 398	64 552
<b>Total Expenditure by Vote</b>	<b>21 721</b>	<b>22 797</b>	<b>22 583</b>	<b>24 857</b>	<b>28 179</b>	<b>27 823</b>	<b>22 666</b>	<b>24 208</b>	<b>23 786</b>	<b>27 561</b>	<b>25 555</b>	<b>25 649</b>	<b>297 385</b>	<b>312 667</b>	<b>331 840</b>
<b>Surplus/(Deficit)</b>	<b>56 288</b>	<b>(5 395)</b>	<b>(3 741)</b>	<b>(6 292)</b>	<b>(3 697)</b>	<b>(8 759)</b>	<b>(5 515)</b>	<b>(6 889)</b>	<b>2 781</b>	<b>(10 278)</b>	<b>(6 725)</b>	<b>(8 631)</b>	<b>(6 855)</b>	<b>(2 948)</b>	<b>1 072</b>

**Table 30 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

Description R thousand	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue - Standard</b>															
<i>Governance and administration</i>	61 573	(28)	49	128	7 637	(115)	377	(96)	7 435	(103)	604	59	77 523	84 900	92 994
Executive and council	7 043	(654)	(664)	(658)	7 014	(720)	(494)	(627)	7 021	(685)	(670)	(531)	15 373	17 169	18 924
Budget and treasury office	54 438	412	410	392	427	363	480	432	289	445	1 134	450	59 673	65 412	71 720
Corporate services	92	214	304	395	196	243	391	99	126	138	140	140	2 477	2 319	2 350
<i>Community and public safety</i>	4 007	4 023	4 687	4 714	4 036	4 415	5 099	4 295	4 307	3 953	3 825	4 377	51 738	58 526	63 365
Community and social services	436	465	521	527	462	519	497	495	590	492	495	649	6 148	6 027	6 404
Sport and recreation	301	386	894	1 213	463	540	1 218	300	406	417	282	182	6 601	6 075	6 441
Public safety	928	831	930	633	769	1 014	1 043	1 158	970	702	706	1 205	10 889	10 924	11 021
Housing	2 342	2 342	2 342	2 342	2 342	2 342	2 342	2 342	2 342	2 342	2 342	2 342	28 100	35 500	39 500
<i>Economic and environmental services</i>	320	626	966	815	537	1 196	402	1 070	2 225	965	1 099	2 103	12 324	12 138	12 614
Planning and development	320	626	966	815	537	1 196	402	1 070	2 225	965	1 099	2 103	12 324	12 138	12 614
<i>Trading services</i>	12 109	12 781	13 140	12 907	12 272	13 568	11 272	12 050	12 599	12 468	13 301	10 478	148 946	154 155	163 939
Electricity	7 997	8 538	8 866	8 670	7 900	8 807	7 090	7 609	8 027	7 990	8 848	6 775	97 118	99 603	106 430
Water	1 811	1 890	1 911	1 891	1 975	2 249	2 061	2 182	2 280	2 091	2 105	1 482	23 929	25 365	26 887
Waste water management	849	862	894	874	921	1 027	758	831	840	931	875	825	10 487	11 117	11 785
Waste management	1 451	1 491	1 470	1 471	1 476	1 486	1 363	1 427	1 453	1 456	1 473	1 396	17 412	18 071	18 837
<b>Total Revenue - Standard</b>	<b>78 009</b>	<b>17 402</b>	<b>18 842</b>	<b>18 565</b>	<b>24 482</b>	<b>19 065</b>	<b>17 151</b>	<b>17 319</b>	<b>26 567</b>	<b>17 283</b>	<b>18 830</b>	<b>17 017</b>	<b>290 530</b>	<b>309 720</b>	<b>332 912</b>
<b>Expenditure - Standard</b>															
<i>Governance and administration</i>	5 083	5 570	5 503	6 463	7 537	7 648	5 493	6 282	6 001	7 508	6 748	6 297	76 133	78 974	83 560
Executive and council	1 229	1 345	1 344	1 563	1 679	1 805	1 323	1 669	1 468	1 773	1 638	1 630	18 465	18 911	19 850
Budget and treasury office	2 509	2 790	2 781	3 284	3 722	3 793	2 806	3 046	3 005	3 675	3 381	2 506	37 298	38 600	40 686
Corporate services	1 344	1 436	1 378	1 616	2 136	2 049	1 364	1 568	1 529	2 060	1 729	2 161	20 370	21 463	23 025
<i>Community and public safety</i>	4 964	5 112	5 058	5 427	6 330	5 929	5 157	5 316	5 266	5 932	5 546	6 732	66 770	75 776	82 005
Community and social services	938	980	950	1 080	1 489	1 293	988	1 055	1 033	1 311	1 135	1 667	13 917	14 564	15 417
Sport and recreation	619	670	642	764	975	990	618	737	718	989	823	1 277	9 822	10 249	10 948
Public safety	958	1 010	1 016	1 121	1 353	1 173	1 088	1 066	1 059	1 158	1 124	1 330	13 456	13 902	14 485
Housing	2 449	2 452	2 451	2 462	2 514	2 472	2 463	2 459	2 457	2 474	2 464	2 457	29 575	37 061	41 154
<i>Economic and environmental services</i>	1 792	1 970	1 949	2 306	2 847	2 705	2 006	2 158	2 122	2 654	2 389	1 215	26 114	24 334	25 441
Planning and development	744	852	851	1 046	1 243	1 225	878	951	936	1 180	1 078	(1 177)	9 807	8 192	8 429
Road transport	1 005	1 074	1 053	1 211	1 535	1 424	1 080	1 160	1 140	1 418	1 261	2 297	15 657	15 464	16 299
Environmental protection	44	45	44	49	69	56	48	48	47	57	51	95	651	678	714
<i>Trading services</i>	9 883	10 144	10 072	10 661	11 464	11 542	10 010	10 451	10 396	11 467	10 872	11 404	128 368	133 584	140 834
Electricity	7 052	7 082	7 060	7 151	7 440	7 304	7 085	7 134	7 119	7 317	7 191	7 074	86 009	90 126	95 234
Water	1 048	1 106	1 090	1 261	1 544	1 523	1 076	1 192	1 188	1 499	1 324	1 356	15 207	15 504	16 388
Waste water management	646	686	668	762	936	920	661	738	724	918	802	1 089	9 549	9 603	10 091
Waste management	1 136	1 271	1 255	1 487	1 544	1 795	1 187	1 387	1 365	1 734	1 556	1 885	17 603	18 351	19 120
<b>Total Expenditure - Standard</b>	<b>21 721</b>	<b>22 797</b>	<b>22 583</b>	<b>24 857</b>	<b>28 179</b>	<b>27 823</b>	<b>22 666</b>	<b>24 208</b>	<b>23 786</b>	<b>27 561</b>	<b>25 555</b>	<b>25 649</b>	<b>297 385</b>	<b>312 667</b>	<b>331 840</b>
<b>Surplus/(Deficit)</b>	<b>56 288</b>	<b>(5 395)</b>	<b>(3 741)</b>	<b>(6 292)</b>	<b>(3 697)</b>	<b>(8 759)</b>	<b>(5 515)</b>	<b>(6 889)</b>	<b>2 781</b>	<b>(10 278)</b>	<b>(6 725)</b>	<b>(8 631)</b>	<b>(6 855)</b>	<b>(2 948)</b>	<b>1 072</b>

**Table 31 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description R thousand	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Multi-year expenditure to be appropriated</u></b>															
Vote 3 - Corporate Services	1	2	6	5	2	8	1	7	18	6	7	17	80	80	50
Vote 4 - Community and Social Services	–	–	–	–	–	–	–	–	–	–	–	–	–	800	200
Vote 14 - Infrastructure	2	9	22	17	7	29	3	28	67	24	27	64	300	400	500
<b>Capital multi-year expenditure sub-total</b>	<b>3</b>	<b>11</b>	<b>28</b>	<b>22</b>	<b>9</b>	<b>37</b>	<b>4</b>	<b>35</b>	<b>85</b>	<b>30</b>	<b>34</b>	<b>82</b>	<b>380</b>	<b>1 280</b>	<b>750</b>
<b><u>Single-year expenditure to be appropriated</u></b>															
Vote 1 - Executive and Council	4	15	39	30	13	50	6	48	117	41	46	112	520	5	–
Vote 2 - Budget and Treasury Office	3	12	31	24	10	40	4	39	94	33	37	90	419	3	–
Vote 3 - Corporate Services	16	66	171	131	55	219	24	209	512	181	203	490	2 278	1 419	608
Vote 4 - Community and Social Services	25	100	256	197	83	329	37	315	769	271	306	736	3 423	2 603	1 115
Vote 8 - Electricity	26	106	273	210	88	350	39	335	818	289	325	782	3 640	3 220	3 220
Vote 14 - Infrastructure	101	407	1 046	805	338	1 345	150	1 284	3 138	1 108	1 248	3 002	13 971	20 345	13 605
<b>Capital single-year expenditure sub-total</b>	<b>175</b>	<b>706</b>	<b>1 816</b>	<b>1 397</b>	<b>588</b>	<b>2 334</b>	<b>260</b>	<b>2 229</b>	<b>5 447</b>	<b>1 923</b>	<b>2 166</b>	<b>5 212</b>	<b>24 252</b>	<b>27 595</b>	<b>18 548</b>
<b>Total Capital Expenditure</b>	<b>177</b>	<b>717</b>	<b>1 844</b>	<b>1 419</b>	<b>597</b>	<b>2 371</b>	<b>264</b>	<b>2 264</b>	<b>5 532</b>	<b>1 953</b>	<b>2 200</b>	<b>5 294</b>	<b>24 632</b>	<b>28 875</b>	<b>19 298</b>

**Table 32 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital Expenditure - Standard</b>															
<i><b>Governance and administration</b></i>	<b>24</b>	<b>96</b>	<b>247</b>	<b>190</b>	<b>80</b>	<b>317</b>	<b>35</b>	<b>303</b>	<b>741</b>	<b>261</b>	<b>295</b>	<b>709</b>	<b>3 298</b>	<b>1 508</b>	<b>658</b>
Executive and council	4	15	39	30	13	50	6	48	117	41	46	112	520	5	–
Budget and treasury office	3	12	31	24	10	40	4	39	94	33	37	90	419	3	–
Corporate services	17	69	177	136	57	227	25	217	530	187	211	507	2 358	1 499	658
<i><b>Community and public safety</b></i>	<b>25</b>	<b>100</b>	<b>256</b>	<b>197</b>	<b>83</b>	<b>329</b>	<b>37</b>	<b>315</b>	<b>769</b>	<b>271</b>	<b>306</b>	<b>736</b>	<b>3 423</b>	<b>3 403</b>	<b>1 315</b>
Community and social services	10	42	109	84	35	140	16	134	326	115	130	312	1 453	1 795	200
Sport and recreation	14	57	145	112	47	187	21	178	436	154	173	417	1 941	665	135
Public safety	0	1	2	2	1	3	0	3	7	2	3	6	29	943	980
<i><b>Economic and environmental services</b></i>	<b>70</b>	<b>283</b>	<b>729</b>	<b>561</b>	<b>236</b>	<b>937</b>	<b>104</b>	<b>895</b>	<b>2 187</b>	<b>772</b>	<b>870</b>	<b>2 093</b>	<b>9 737</b>	<b>10 755</b>	<b>7 605</b>
Planning and development	12	50	127	98	41	164	18	156	382	135	152	366	1 702	1 755	1 500
Road transport	58	234	602	463	195	773	86	738	1 805	637	718	1 727	8 035	9 000	6 105
<i><b>Trading services</b></i>	<b>59</b>	<b>238</b>	<b>612</b>	<b>471</b>	<b>198</b>	<b>787</b>	<b>88</b>	<b>751</b>	<b>1 836</b>	<b>648</b>	<b>730</b>	<b>1 757</b>	<b>8 174</b>	<b>13 210</b>	<b>9 720</b>
Electricity	26	106	273	210	88	350	39	335	818	289	325	782	3 640	3 220	3 220
Water	26	106	274	211	89	352	39	336	821	290	327	786	3 656	3 900	500
Waste water management	6	26	66	51	21	84	9	81	197	70	78	189	877	1 090	2 000
Waste management	–	–	–	–	–	–	–	–	–	–	–	–	–	5 000	4 000
<b>Total Capital Expenditure - Standard</b>	<b>177</b>	<b>717</b>	<b>1 844</b>	<b>1 419</b>	<b>597</b>	<b>2 371</b>	<b>264</b>	<b>2 264</b>	<b>5 532</b>	<b>1 953</b>	<b>2 200</b>	<b>5 294</b>	<b>24 632</b>	<b>28 875</b>	<b>19 298</b>
<b>Funded by:</b>															
National Government	75	305	784	604	254	1 008	112	963	2 353	831	936	2 251	10 476	11 648	11 666
Provincial Government	10	42	109	84	35	140	16	134	327	115	130	313	1 455	185	–
<b>Transfers recognised - capital</b>	<b>86</b>	<b>347</b>	<b>893</b>	<b>687</b>	<b>289</b>	<b>1 148</b>	<b>128</b>	<b>1 096</b>	<b>2 680</b>	<b>946</b>	<b>1 066</b>	<b>2 564</b>	<b>11 931</b>	<b>11 833</b>	<b>11 666</b>
<b>Borrowing</b>	<b>27</b>	<b>109</b>	<b>281</b>	<b>216</b>	<b>91</b>	<b>361</b>	<b>40</b>	<b>345</b>	<b>842</b>	<b>297</b>	<b>335</b>	<b>806</b>	<b>3 750</b>	<b>10 345</b>	<b>5 180</b>
<b>Internally generated funds</b>	<b>64</b>	<b>261</b>	<b>670</b>	<b>516</b>	<b>217</b>	<b>861</b>	<b>96</b>	<b>823</b>	<b>2 010</b>	<b>710</b>	<b>800</b>	<b>1 924</b>	<b>8 951</b>	<b>6 697</b>	<b>2 453</b>
<b>Total Capital Funding</b>	<b>177</b>	<b>717</b>	<b>1 844</b>	<b>1 419</b>	<b>597</b>	<b>2 371</b>	<b>264</b>	<b>2 264</b>	<b>5 532</b>	<b>1 953</b>	<b>2 200</b>	<b>5 294</b>	<b>24 632</b>	<b>28 875</b>	<b>19 298</b>



**Table 33 MBRR SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash Receipts By Source</b>													1		
Property rates	4 981	7 180	6 529	13 189	3 896	2 831	2 483	2 599	2 832	2 299	2 183	2 081	53 082	58 407	64 264
Service charges - electricity revenue	6 877	9 855	8 175	7 472	6 835	7 659	7 129	10 309	7 861	7 043	6 950	6 266	92 431	93 850	100 420
Service charges - water revenue	1 565	1 529	1 520	1 555	1 586	1 913	1 771	2 324	2 226	2 146	1 951	1 657	21 742	23 060	24 470
Service charges - sanitation revenue	425	591	650	690	791	554	441	678	670	452	930	437	7 309	7 776	8 301
Service charges - refuse revenue	899	1 291	839	995	989	1 292	956	1 265	1 281	967	1 510	926	13 209	13 661	14 243
Rental of facilities and equipment	219	419	1 245	1 223	518	643	269	854	475	658	217	703	7 442	7 711	8 101
Interest earned - external investments	58	147	180	199	201	107	236	216	197	63	255	40	1 900	1 900	1 900
Interest earned - outstanding debtors	53	54	52	35	76	68	8	29	77	74	75	248	851	936	1 029
Fines	81	214	135	245	212	(57)	385	186	262	280	178	247	2 367	2 368	2 369
Licences and permits	28	26	30	32	30	29	31	28	36	24	41	12	347	364	379
Agency services	111	6	185	72	196	56	5	4	468	88	117	66	1 374	1 443	1 500
Transfer receipts - operational	15 557	557	6 598	8 940	4 312	8 375	1 486	1 018	12 600	512	71	—	60 025	69 420	76 496
Other revenue	111	98	96	98	135	206	15	272	1 855	112	120	1 361	4 481	4 671	4 987
<b>Cash Receipts by Source</b>	<b>30 965</b>	<b>21 967</b>	<b>26 235</b>	<b>34 745</b>	<b>19 777</b>	<b>23 675</b>	<b>15 215</b>	<b>19 782</b>	<b>30 839</b>	<b>14 717</b>	<b>14 597</b>	<b>14 044</b>	<b>266 559</b>	<b>285 565</b>	<b>308 459</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	1 270	—	—	—	5 079	728	—	37	2 680	1 939	—	199	11 931	11 833	11 666
Borrowing long term/refinancing	3 750	—	—	—	—	—	—	—	—	—	—	—	3 750	10 345	5 180
Increase (decrease) in consumer deposits	21	21	21	21	21	21	21	21	21	21	21	21	249	264	280
Decrease (Increase) in non-current debtors	0	0	0	0	0	0	0	0	0	0	0	0	4	4	4
<b>Total Cash Receipts by Source</b>	<b>36 006</b>	<b>21 988</b>	<b>26 256</b>	<b>34 767</b>	<b>24 876</b>	<b>24 424</b>	<b>15 236</b>	<b>19 840</b>	<b>33 539</b>	<b>16 678</b>	<b>14 618</b>	<b>14 265</b>	<b>282 493</b>	<b>308 011</b>	<b>325 589</b>
<b>Cash Payments by Type</b>															
Employee related costs	7 635	7 821	7 994	8 094	12 352	7 745	8 607	7 763	7 897	8 221	8 089	7 614	99 832	105 994	113 041
Remuneration of councillors	383	381	381	417	383	383	311	383	383	576	402	402	4 786	5 073	5 377
Finance charges	—	—	—	—	—	252	—	—	—	—	—	252	504	510	518
Bulk purchases - Electricity	8 371	7 934	7 848	5 398	5 001	5 640	5 906	3 970	6 423	5 469	5 167	6 510	73 638	78 109	82 552
Bulk purchases - Water & Sewer	—	23	21	22	22	28	25	25	20	23	16	22	246	274	299
Contracted services	—	811	909	1 047	1 074	987	1 162	767	910	987	1 180	769	10 603	8 797	8 530
Transfers and grants - other	149	149	149	149	149	149	149	149	149	149	149	149	1 783	1 764	1 839
Other expenditure	4 230	5 418	4 957	15 251	5 161	7 687	2 424	5 038	5 294	3 745	7 504	8 331	75 040	82 258	88 588
<b>Cash Payments by Type</b>	<b>20 768</b>	<b>22 537</b>	<b>22 259</b>	<b>30 377</b>	<b>24 141</b>	<b>22 870</b>	<b>18 583</b>	<b>18 094</b>	<b>21 077</b>	<b>19 170</b>	<b>22 506</b>	<b>24 049</b>	<b>266 432</b>	<b>282 779</b>	<b>300 744</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	177	717	1 844	1 419	597	2 371	264	2 264	5 532	1 953	2 200	5 294	24 632	28 875	19 298
Repayment of borrowing	—	—	—	—	—	311	—	—	—	—	—	311	623	1 304	1 345
<b>Total Cash Payments by Type</b>	<b>20 945</b>	<b>23 254</b>	<b>24 103</b>	<b>31 796</b>	<b>24 738</b>	<b>25 552</b>	<b>18 847</b>	<b>20 358</b>	<b>26 609</b>	<b>21 123</b>	<b>24 707</b>	<b>29 654</b>	<b>291 686</b>	<b>312 958</b>	<b>321 387</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>15 061</b>	<b>(1 266)</b>	<b>2 153</b>	<b>2 970</b>	<b>138</b>	<b>(1 128)</b>	<b>(3 611)</b>	<b>(518)</b>	<b>6 930</b>	<b>(4 445)</b>	<b>(10 088)</b>	<b>(15 389)</b>	<b>(9 193)</b>	<b>(4 947)</b>	<b>4 202</b>
Cash/cash equivalents at the month/year begin:	19 291	34 352	33 086	35 239	38 209	38 347	37 219	33 608	33 090	40 021	35 576	25 487	19 291	10 098	5 151
Cash/cash equivalents at the month/year end:	34 352	33 086	35 239	38 209	38 347	37 219	33 608	33 090	40 021	35 576	25 487	10 098	10 098	5 151	9 354

## **2.10 Contracts having future budgetary implications**

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Schedule SA35 is not applicable at the municipality.

## **2.11 Capital expenditure details**

The following four tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, then the repair and maintenance of assets and finally the depreciation per asset class.

**Table 34 MBRR SA34a - Capital expenditure on new assets by asset class**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>14 052</b>	<b>10 056</b>	<b>6 821</b>	<b>5 661</b>	<b>5 936</b>	<b>5 936</b>	<b>5 027</b>	<b>12 540</b>	<b>4 100</b>
Infrastructure - Road transport	4 934	7 131	3 126	2 921	2 637	2 637	1 300	850	-
<i>Roads, Pavements &amp; Bridges</i>	3 228	6 775	2 591	2 311	2 027	2 027	900	700	-
<i>Storm water</i>	1 706	356	534	610	610	610	400	150	-
Infrastructure - Electricity	677	2 926	2 033	2 300	2 859	2 859	1 200	2 100	2 100
<i>Transmission &amp; Reticulation</i>	677	2 926	2 033	2 200	2 859	2 859	1 100	2 100	2 100
<i>Street Lighting</i>	-	-	-	100	-	-	100	-	-
Infrastructure - Water	7 828	-	374	240	240	240	2 527	3 500	-
<i>Dams &amp; Reservoirs</i>	5 124	-	-	-	-	-	877	3 500	-
<i>Water purification</i>	-	-	-	140	140	140	150	-	-
<i>Reticulation Water</i>	2 704	-	374	100	100	100	1 500	-	-
Infrastructure - Sanitation	614	-	1 269	-	-	-	-	1 090	2 000
<i>Reticulation Sewerage</i>	614	-	1 269	-	-	-	-	-	-
<i>Sewerage purification</i>	-	-	-	-	-	-	-	1 090	2 000
Infrastructure - Other	-	-	19	200	200	200	-	5 000	-
<i>Waste Management</i>	-	-	19	200	200	200	-	5 000	-
<b>Community</b>	<b>1 951</b>	<b>4 168</b>	<b>1 704</b>	<b>4 876</b>	<b>4 970</b>	<b>4 970</b>	<b>1 450</b>	<b>2 950</b>	<b>1 500</b>
Parks & gardens	-	12	34	-	-	-	-	-	-
Sportsfields & stadia	55	-	1 562	1 522	1 622	1 622	-	1 700	1 500
Community halls	1 896	4 107	-	3 312	3 312	3 312	500	-	-
Recreational facilities	-	-	108	33	26	26	950	500	-
Cemeteries	-	-	-	10	10	10	-	750	-
Other Community	-	48	-	-	-	-	-	-	-
<b>Other assets</b>	<b>3 703</b>	<b>1 451</b>	<b>2 729</b>	<b>2 510</b>	<b>2 642</b>	<b>2 642</b>	<b>3 685</b>	<b>3 247</b>	<b>4 953</b>
General vehicles	1 845	-	157	330	330	330	150	250	180
Plant & equipment	333	71	127	945	1 021	1 021	708	477	4 020
Computers - hardware/equipment	615	419	217	875	885	885	1 425	813	481
Furniture and other office equipment	313	940	1 273	269	272	272	752	257	72
Civic Land and Buildings	483	-	-	-	-	-	-	-	-
Other Buildings	-	-	933	90	134	134	650	1 450	200
Other Assets - Other	115	21	21	-	-	-	-	-	-
<b>Intangibles</b>	<b>452</b>	<b>166</b>	<b>454</b>	<b>-</b>	<b>50</b>	<b>50</b>	<b>148</b>	<b>-</b>	<b>-</b>
Computers - software & programming	452	166	454	-	50	50	148	-	-
<b>Total Capital Expenditure on new assets</b>	<b>20 158</b>	<b>15 841</b>	<b>11 708</b>	<b>13 047</b>	<b>13 598</b>	<b>13 598</b>	<b>10 310</b>	<b>18 737</b>	<b>10 553</b>

**Table 35 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>22 875</b>	<b>15 678</b>	<b>46 943</b>	<b>5 910</b>	<b>8 819</b>	<b>5 819</b>	<b>11 162</b>	<b>9 450</b>	<b>7 705</b>
Infrastructure - Road transport	3 040	4 751	9 428	1 800	1 800	1 800	6 735	7 950	6 105
<i>Roads, Pavements &amp; Bridges</i>	2 422	4 751	6 420	1 800	1 800	1 800	6 735	7 950	6 105
<i>Storm water</i>	618	–	3 008	–	–	–	–	–	–
Infrastructure - Electricity	1 224	957	678	1 110	1 087	1 087	2 420	1 100	1 100
<i>Transmission &amp; Reticulation</i>	1 119	957	678	980	961	961	1 740	1 100	1 100
<i>Street Lighting</i>	105	–	–	130	126	126	680	–	–
Infrastructure - Water	158	45	386	–	300	300	1 129	400	500
<i>Water purification</i>	85	18	70	–	–	–	469	–	–
<i>Reticulation Water</i>	73	27	316	–	300	300	660	400	500
Infrastructure - Sanitation	8 455	7 501	–	3 000	2 632	2 632	877	–	–
<i>Reticulation Sewerage</i>	620	2 863	–	3 000	2 632	2 632	–	–	–
<i>Sewerage purification</i>	7 835	4 638	–	–	–	–	877	–	–
Infrastructure - Other	9 999	2 423	36 451	–	3 000	–	–	–	–
<i>Other Landfill</i>	9 999	2 423	36 451	–	3 000	–	–	–	–
<b>Community</b>	<b>393</b>	<b>1 147</b>	<b>126</b>	<b>1 215</b>	<b>1 388</b>	<b>1 388</b>	<b>2 096</b>	<b>–</b>	<b>–</b>
Parks & gardens	59	–	–	–	–	–	–	–	–
Sportsfields & stadia	264	–	116	–	–	–	2 016	–	–
Community halls	–	–	10	–	–	–	–	–	–
Recreational facilities	70	1 130	–	1 215	1 388	1 388	80	–	–
Other Community	–	17	–	–	–	–	–	–	–
<b>Other assets</b>	<b>227</b>	<b>488</b>	<b>704</b>	<b>1 700</b>	<b>1 707</b>	<b>1 707</b>	<b>1 064</b>	<b>688</b>	<b>1 040</b>
General vehicles	–	–	132	–	165	165	–	–	–
Specialised vehicles - Refuse	–	–	–	800	800	800	–	–	–
Plant & equipment	127	230	192	168	88	88	177	485	935
Computers - hardware/equipment	15	–	281	97	97	97	108	100	105
Furniture and other office equipment	85	168	7	–	21	21	27	5	–
Civic Land and Buildings	–	46	–	–	–	–	–	–	–
Other Buildings	–	19	93	635	536	536	752	98	–
Other Assets - Other	–	25	–	–	–	–	–	–	–
<b>Intangibles</b>	<b>–</b>	<b>–</b>	<b>275</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computers - software & programming	–	–	275	–	–	–	–	–	–
<b>Total Capital Expenditure on renewal of existing</b>	<b>23 495</b>	<b>17 313</b>	<b>48 048</b>	<b>8 825</b>	<b>11 914</b>	<b>8 914</b>	<b>14 322</b>	<b>10 138</b>	<b>8 745</b>

**Table 36 MBRR SA34c - Repairs and maintenance expenditure by asset class**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>7 433</b>	<b>4 035</b>	<b>5 142</b>	<b>4 088</b>	<b>5 477</b>	<b>5 371</b>	<b>17 914</b>	<b>17 368</b>	<b>18 401</b>
Infrastructure - Road transport	5 037	1 468	1 582	1 275	1 275	1 255	6 078	5 427	5 720
<i>Roads, Pavements &amp; Bridges</i>	5 037	1 468	1 582	1 275	1 275	1 255	6 078	5 427	5 720
Infrastructure - Electricity	1 028	1 080	781	823	823	783	3 033	3 220	3 411
<i>Transmission &amp; Reticulation</i>	956	994	689	725	725	725	2 893	3 075	3 261
<i>Street Lighting</i>	72	86	92	97	97	57	140	145	150
Infrastructure - Water	989	1 052	2 292	950	2 000	2 000	4 702	4 891	5 248
<i>Reticulation Water</i>	989	1 052	2 292	950	2 000	2 000	4 702	4 891	5 248
Infrastructure - Sanitation	379	435	487	420	460	455	2 836	2 502	2 642
<i>Reticulation Sewerage</i>	379	435	487	420	460	455	2 836	2 502	2 642
Infrastructure - Other	-	-	-	620	919	879	1 266	1 328	1 380
<i>Waste Management</i>	-	-	-	620	919	879	1 266	1 328	1 380
<b>Community</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>785</b>	<b>689</b>	<b>539</b>	<b>779</b>	<b>877</b>	<b>928</b>
Community halls	-	-	-	150	93	63	159	168	178
Recreational facilities	-	-	-	585	546	466	580	667	705
Cemeteries	-	-	-	50	50	10	40	42	45
<b>Other assets</b>	<b>4 527</b>	<b>5 885</b>	<b>6 099</b>	<b>3 701</b>	<b>3 862</b>	<b>3 465</b>	<b>5 412</b>	<b>5 616</b>	<b>5 804</b>
General vehicles	1 290	1 989	2 060	1 852	2 029	1 922	2 260	2 357	2 459
Plant & equipment	386	322	474	533	651	556	579	597	624
Computers - hardware/equipment	71	97	558	89	67	67	90	94	99
Furniture and other office equipment	82	89	96	133	133	99	208	174	175
Civic Land and Buildings	1 310	1 807	1 184	1 094	982	821	2 276	2 394	2 448
Other Buildings	1 332	1 470	1 616	-	-	-	-	-	-
Other Land	57	111	111	-	-	-	-	-	-
<b>Intangibles</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 338</b>	<b>2 338</b>	<b>2 115</b>	<b>3 162</b>	<b>3 501</b>	<b>4 084</b>
Computers - software & programming	-	-	-	2 338	2 338	2 115	3 162	3 501	4 084
Other (list sub-class)	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	<b>11 960</b>	<b>9 921</b>	<b>11 242</b>	<b>10 911</b>	<b>12 365</b>	<b>11 491</b>	<b>27 268</b>	<b>27 362</b>	<b>29 217</b>

**Table 37 MBRR SA34d - Depreciation by asset class**

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Depreciation by Asset Class/Sub-class</u></b>									
<b><u>Infrastructure</u></b>	<b>4 492</b>	<b>7 604</b>	<b>6 983</b>	<b>5 196</b>	<b>8 139</b>	<b>6 639</b>	<b>8 058</b>	<b>8 058</b>	<b>8 058</b>
Infrastructure - Road transport	1 346	1 550	1 742	1 537	1 777	1 777	1 601	1 601	1 601
<i>Roads, Pavements &amp; Bridges</i>	1 346	1 550	1 742	1 537	1 777	1 777	1 601	1 601	1 601
Infrastructure - Electricity	1 229	1 287	1 351	1 283	1 283	1 283	1 241	1 241	1 241
<i>Transmission &amp; Reticulation</i>	1 229	1 287	1 351	1 283	1 283	1 283	1 241	1 241	1 241
Infrastructure - Water	810	1 053	1 085	1 044	1 044	1 044	996	996	996
<i>Reticulation</i>	810	1 053	1 085	1 044	1 044	1 044	996	996	996
Infrastructure - Sanitation	837	854	1 575	847	847	847	1 447	1 447	1 447
<i>Reticulation</i>	837	854	1 575	847	847	847	1 447	1 447	1 447
Infrastructure - Other	270	2 859	1 230	486	3 188	1 688	2 773	2 773	2 773
<i>Waste Management</i>	74	75	77	74	486	486	71	71	71
<i>Other</i>	196	2 785	1 152	412	2 702	1 202	2 702	2 702	2 702
<b><u>Community</u></b>	<b>232</b>	<b>134</b>	<b>185</b>	<b>232</b>	<b>232</b>	<b>232</b>	<b>170</b>	<b>170</b>	<b>170</b>
Parks & gardens	12	17	17	13	13	13	15	15	15
Sportsfields & stadia	15	15	16	15	15	15	15	15	15
Community halls	32	32	73	32	32	32	67	67	67
Libraries	48	48	58	48	48	48	53	53	53
Recreational facilities	123	19	19	122	122	122	18	18	18
Clinics	1	1	1	1	1	1	1	1	1
Cemeteries	0	0	1	0	0	0	1	1	1
<b><u>Investment properties</u></b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
Other	9	9	9	9	9	9	9	9	9
<b><u>Other assets</u></b>	<b>2 665</b>	<b>2 856</b>	<b>2 753</b>	<b>2 731</b>	<b>2 731</b>	<b>2 731</b>	<b>2 529</b>	<b>2 529</b>	<b>2 529</b>
General vehicles	754	940	926	932	932	932	850	850	850
Specialised vehicles	63	63	63	62	62	62	58	58	58
Plant & equipment	302	314	302	311	311	311	278	278	278
Computers - hardware/equipment	279	332	329	330	330	330	302	302	302
Furniture and other office equipment	465	476	527	466	466	466	484	484	484
Civic Land and Buildings	70	74	93	73	73	73	85	85	85
Other Buildings	241	342	319	229	229	229	293	293	293
Surplus Assets - (Investment or Inventory)	242	111	45	110	110	110	41	41	41
Other	250	203	149	217	217	217	137	137	137
<b><u>Intangibles</u></b>	<b>40</b>	<b>122</b>	<b>158</b>	<b>122</b>	<b>158</b>	<b>158</b>	<b>122</b>	<b>122</b>	<b>122</b>
Computers - software & programming	40	122	158	122	158	158	122	122	122
<b>Total Depreciation</b>	<b>7 437</b>	<b>10 724</b>	<b>10 088</b>	<b>8 289</b>	<b>11 269</b>	<b>9 769</b>	<b>10 888</b>	<b>10 888</b>	<b>10 888</b>

**Table 38 MBRR SA35 - Future financial implications of the capital budget**

No future implications identified on the capital budget beyond the MTREF period.

**Table 39 MBRR SA36 - Detailed capital budget per municipal vote**

Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code 2	Asset Class 3	Asset Sub-Class 3	2016/17 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
1.3 - Council General Expenses	Cabinet / Cupboard	K	Other assets	Furniture and other office equipment	4	–	–	Alg	N
1.3 - Council General Expenses	Desktop filing cabinet	K	Other assets	Furniture and other office equipment	1	–	–	Alg	N
1.5 - Strategic Planning and IDP	Furniture: 2 Sliding Door Credenzas	K	Other assets	Furniture and other office equipment	4	–	–	Alg	N
1.5 - Strategic Planning and IDP	Furniture: Cupboard with shelves	K	Other assets	Furniture and other office equipment	4	–	–	Alg	N
1.5 - Strategic Planning and IDP	Furniture: 2 Mobile pedestals with 3 dra	K	Other assets	Furniture and other office equipment	3	–	–	Alg	N
1.5 - Strategic Planning and IDP	Furniture: Desk	K	Other assets	Furniture and other office equipment	2	–	–	Alg	N
1.5 - Strategic Planning and IDP	Camera (Replacement)	K	Other assets	Furniture and other office equipment	–	5	–	Alg	R
1.5 - Strategic Planning and IDP	Informal Trading Area (Council resolution	K	Other assets	Other Buildings	500	–	–	Alg	N
1.6 - Internal Audit	Two door cupboard with shelves	K	Other assets	Furniture and other office equipment	4	–	–	Alg	N
2.6 - Revenue Management	Meter Reading Equipment	K	Other assets	Plant & equipment	312	–	–	Alg	N
2.6 - Revenue Management	Safeguarding of Cashiers Offices	K	Other assets	Other Buildings	100	–	–	Alg	R
2.3 - Supply Chain Management	Folding Nose Trolley	K	Other assets	Furniture and other office equipment	2	–	–	Alg	N
2.3 - Supply Chain Management	OAK Melamine Hinged Door System	K	Other assets	Furniture and other office equipment	3	3	–	Alg	N
2.3 - Supply Chain Management	Fridge	K	Other assets	Furniture and other office equipment	2	–	–	Alg	N
3.4 - Information Technology	Computer - PC's (Replacement / Upgr	L	Other assets	Computers - hardware/equipment	89	93	98	Alg	R
3.4 - Information Technology	Computer - PC's	L	Other assets	Computers - hardware/equipment	45	47	50	Alg	N
3.4 - Information Technology	Screens (Replacements	L	Other assets	Computers - hardware/equipment	7	7	7	Alg	R
3.4 - Information Technology	Laminating Machine	L	Other assets	Furniture and other office equipment	1	–	–	Alg	N
3.4 - Information Technology	Laptops	L	Other assets	Computers - hardware/equipment	79	83	87	Alg	N
3.4 - Information Technology	UPS Small (offices)	L	Other assets	Computers - hardware/equipment	7	7	8	Alg	N
3.4 - Information Technology	Projector	L	Other assets	Computers - hardware/equipment	12	12	13	Alg	N
3.4 - Information Technology	Projector Replacement	L	Other assets	Computers - hardware/equipment	12	–	–	Alg	R
3.4 - Information Technology	External HDD	L	Other assets	Computers - hardware/equipment	4	4	4	Alg	N
3.4 - Information Technology	Switch PoE	L	Other assets	Computers - hardware/equipment	25	26	28	Alg	N
3.4 - Information Technology	Backup Device & HDD	L	Other assets	Computers - hardware/equipment	55	58	61	Alg	N
3.4 - Information Technology	Server DR Site	L	Other assets	Computers - hardware/equipment	185	–	–	Alg	N
3.4 - Information Technology	Server Cabinet	L	Other assets	Computers - hardware/equipment	13	–	–	Alg	N
3.4 - Information Technology	Two way Radios	L	Other assets	Furniture and other office equipment	59	34	19	Alg	N

Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code 2	Asset Class 3	Asset Sub-Class 3	2016/17 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
3.4 - Information Technology	Time & Attendance (Biometric / Access	L	Other assets	Computers - hardware/equipment	500	300	–	Alg	N
3.4 - Information Technology	Time & Attendance (Biometric / Access	L	Other assets	Computers - hardware/equipment	500	–	–	Alg	N
3.4 - Information Technology	Generator Main Building	L	Other assets	Plant & equipment	220	–	–	Alg	N
3.4 - Information Technology	Mail Archiving	L	Other assets	Computers - hardware/equipment	–	220	231	Alg	N
3.4 - Information Technology	CCTV Traffic	L	Other assets	Computers - hardware/equipment	–	55	–	Alg	N
3.4 - Information Technology	Corel draw Software	L	Intangibles	Computers - software & programming	8	–	–	Alg	N
3.2 - Human Resources	Chair	L	Other assets	Furniture and other office equipment	3	–	–	Alg	N
3.2 - Human Resources	Software application - Overtime / Stand	L	Intangibles	Computers - software & programming	140	–	–	Alg	N
3.7 - Town Planning	Furniture: Cupboard	L	Other assets	Furniture and other office equipment	–	2	–	Alg	N
3.7 - Town Planning	Furniture: Steel cabinets x2	L	Other assets	Furniture and other office equipment	4	–	–	Alg	N
3.7 - Town Planning	Scanner	L	Other assets	Furniture and other office equipment	–	20	–	Alg	N
3.7 - Town Planning	Magnetic whiteboard	L	Other assets	Furniture and other office equipment	1	–	–	Alg	N
3.7 - Town Planning	Furniture: Additional	L	Other assets	Furniture and other office equipment	–	3	4	Alg	N
3.7 - Town Planning	Furniture: Fridge	L	Other assets	Furniture and other office equipment	–	3	–	Alg	N
3.7 - Town Planning	Filing Cabinets / Shelves	L	Other assets	Furniture and other office equipment	4	–	–	Alg	N
3.6 - Administrative Support Services	Motor vehicle	L	Other assets	General vehicles	150	–	–	Alg	N
3.6 - Administrative Support Services	Buildings: Additional Training Room / C	L	Other assets	Other Buildings	150	445	–	Alg	N
3.6 - Administrative Support Services	Microwave - Main building kitchen	L	Other assets	Furniture and other office equipment	2	–	–	Alg	R
3.6 - Administrative Support Services	Urn - Main building kitchen	L	Other assets	Furniture and other office equipment	3	–	–	Alg	R
3.6 - Administrative Support Services	Smoke detectors in SAFE	L	Other assets	Furniture and other office equipment	80	80	50	Alg	N
4.7 - Social Development	2m x 3m galvanised structure for dirt co	I	Other assets	Furniture and other office equipment	20	–	–	Alg	N
4.7 - Social Development	Table for boardroom	I	Other assets	Furniture and other office equipment	15	–	–	Alg	N
4.7 - Social Development	Installation of cupboards in boardroom	I	Other assets	Furniture and other office equipment	8	–	–	Alg	N
4.7 - Social Development	Wooden Blinds for Boardroom	I	Other assets	Furniture and other office equipment	4	–	–	Alg	N
4.7 - Social Development	Steel balustrade for entrance - Disabled	I	Other assets	Furniture and other office equipment	20	–	–	Alg	N
4.7 - Social Development	Installation of bullet proof glass at paypo	I	Other assets	Furniture and other office equipment	30	–	–	Alg	N
4.7 - Social Development	Sound System	I	Other assets	Furniture and other office equipment	25	–	–	Alg	N
4.7 - Social Development	Plastic Chairs (New hall)	I	Other assets	Furniture and other office equipment	72	–	–	Alg	N



Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code 2	Asset Class 3	Asset Sub-Class 3	2016/17 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
4.7 - Social Development	Plastic Tables (New hall)	I	Other assets	Furniture and other office equipment	17	–	–	Alg	N
4.7 - Social Development	Plastic Tables (New hall)	I	Other assets	Furniture and other office equipment	8	–	–	Alg	N
4.11 - Protection Services	Zippels	I	Other assets	Furniture and other office equipment	140	–	–	Alg	N
4.11 - Protection Services	Airconditioners	I	Other assets	Furniture and other office equipment	30	–	–	Alg	N
4.11 - Protection Services	Furniture for Meeting Room	I	Other assets	Furniture and other office equipment	–	35	–	Alg	N
4.11 - Protection Services	Office Chair (Back Support)	I	Other assets	Furniture and other office equipment	4	–	–	Alg	N
4.11 - Protection Services	Chairs for Reception Area x 18	I	Other assets	Furniture and other office equipment	10	8	–	Alg	N
4.1 - Library	Blinds - Welverdiend	I	Other assets	Furniture and other office equipment	7	–	–	Alg	R
4.1 - Library	Blinds - Struisbay	I	Other assets	Furniture and other office equipment	8	–	–	Alg	R
4.1 - Library	Blinds - Arniston	I	Other assets	Furniture and other office equipment	7	–	–	Alg	R
4.1 - Library	Extra Shelves & Fencing - Waenshuis	I	Other assets	Other Buildings	–	125	–	Alg	N
4.1 - Library	Building - Bredasdorp Extension	I	Other assets	Other Buildings	352	–	–	Alg	R
4.1 - Library	Wolverdiend: Aircon and projector	I	Other assets	Furniture and other office equipment	–	60	–	Alg	N
4.1 - Library	Napier: Book detection system	I	Other assets	Furniture and other office equipment	170	–	–	Alg	N
4.9 - Traffic	Alcohol Breathalyser Testers	M	Other assets	Plant & equipment	26	–	–	Alg	R
4.9 - Traffic	Vehicles: x1 Sedan (Traffic)	M	Other assets	General vehicles	–	–	180	Alg	N
4.9 - Traffic	Vehicles: x1 Mini-Bus (Law Enforcement)	M	Other assets	General vehicles	–	250	–	Alg	N
4.9 - Traffic	Firearms	M	Other assets	Plant & equipment	–	80	–	Alg	N
4.9 - Traffic	Handradio's	M	Other assets	Plant & equipment	–	45	–	Alg	N
4.9 - Traffic	PA System / Siren with GIZZ WAC	M	Other assets	Plant & equipment	–	40	–	Alg	N
4.10 - Vehicle Testing Station	Cover Parking	M	Other assets	Other Buildings	–	80	–	Alg	N
4.10 - Vehicle Testing Station	Upgrade of Pit Testing Equipment	M	Other assets	Plant & equipment	–	350	–	Alg	R
4.10 - Vehicle Testing Station	Upgrade of Yard Test: K53	M	Other assets	Plant & equipment	–	–	800	Alg	R
4.10 - Vehicle Testing Station	Buildings - Renovation of Reception Area	M	Other assets	Other Buildings	–	38	–	Alg	R
4.10 - Vehicle Testing Station	Buildings - Expansion of "Toetsstasie Ge"	M	Other assets	Other Buildings	–	60	–	Alg	R
4.9 - Traffic	Camera for Law enforcements inspection	M	Other assets	Plant & equipment	3	–	–	Alg	N
4.13 - Beaches & Public Amenities	Upgrade of Ablution Facility at Duiker S	J	Community	Recreational facilities	80	–	–	Alg	R
4.13 - Beaches & Public Amenities	Furniture: Duiker street Ablution facility	J	Other assets	Plant & equipment	10	–	–	Alg	R

Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code 2	Asset Class 3	Asset Sub-Class 3	2016/17 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
4.13 - Beaches & Public Amenities	Furniture at Resorts (Suikerbossie, Stru	J	Other assets	Plant & equipment	100	100	100	Alg	R
4.13 - Beaches & Public Amenities	Kudu 750 with Kohler 14hp Engine - L'A	J	Other assets	Plant & equipment	–	30	–	Alg	N
4.13 - Beaches & Public Amenities	Porta Potties (S/Bay / Arniston / Agulha	J	Other assets	Plant & equipment	60	–	–	Alg	N
4.13 - Beaches & Public Amenities	Ablution facility - Suiderstrand	J	Community	Recreational facilities	–	500	–	Alg	N
4.13 - Beaches & Public Amenities	Ablution facility - Struisbay	J	Community	Recreational facilities	950	–	–	Alg	N
4.14 - Parks and Sports Facilities	BrushCutters	J	Other assets	Plant & equipment	35	35	35	Alg	R
4.14 - Parks and Sports Facilities	1 X BG 86 Blower	J	Other assets	Plant & equipment	6	–	–	Alg	R
4.14 - Parks and Sports Facilities	Upgrading of Sport Facilities - Sports Ac	J	Community	Sportsfields & stadia	700	–	–	Alg	R
4.3 - Cemetery	Ablution Facility and Fencing of New C	I	Community	Cemeteries	–	350	–	Alg	N
4.3 - Cemetery	Ablution Facility and Fencing of New C	I	Community	Cemeteries	–	400	–	Alg	N
4.4 - Buildings and Commonage	Cloakroom at Nelson Mandela Hall	I	Community	Community halls	500	–	–	Alg	N
4.4 - Buildings and Commonage	Numatic CT470-2 Industrial Carpet extr	I	Other assets	Plant & equipment	6	7	–	Alg	N
4.4 - Buildings and Commonage	Construction of new wing at "Ons Huis"	I	Other assets	Other Buildings	–	800	200	Alg	N
4.5 - Public Services	Furniture - Desk, Chairs, Cabinets, etc.	I	Other assets	Furniture and other office equipment	–	10	–	Alg	N
14.1 - Administration	Thusong Centre - Upgrade	B	Community	Sportsfields & stadia	1 316	–	–	Alg	R
14.1 - Administration	KAM Sports projects	B	Community	Sportsfields & stadia	–	1 700	1 500	Alg	N
14.1 - Administration	Replacement of Waenshuiskrans Stores	B	Other assets	Other Buildings	300	–	–	Alg	R
14.2 - Workshop	Workshop tools	B	Other assets	Plant & equipment	15	–	–	Alg	N
14.2 - Workshop	2 Post lift	B	Other assets	Plant & equipment	55	–	–	Alg	N
14.2 - Workshop	Heavy Duty Hot Water Steamcleaner 3	B	Other assets	Plant & equipment	–	55	–	Alg	N
14.2 - Workshop	Brakes Pressure Bleeder	B	Other assets	Plant & equipment	17	–	–	Alg	N
14.4 - Water	Upgrading of sandfilters Napier	D	Infrastructure - Water	Water purification	300	–	–	Alg	R
14.4 - Water	Spanjaardskloof Settlingstank upgrading	D	Infrastructure - Water	Water purification	84	–	–	Alg	R
14.4 - Water	Upgrading of membraces - Spandjaards	D	Infrastructure - Water	Water purification	85	–	–	Alg	R
14.4 - Water	Agulhas New Storage Reservoir	D	Infrastructure - Water	Dams & Reservoirs	–	1 000	–	Alg	N
14.4 - Water	Agulhas New Storage Reservoir pipelin	D	Infrastructure - Water	Dams & Reservoirs	877	–	–	Alg	N
14.4 - Water	Agulhas Water Disinfection	D	Infrastructure - Water	Water purification	150	–	–	Alg	N
14.4 - Water	Replacement of Water meters	D	Infrastructure - Water	Reticulation Water	300	400	500	Alg	R

Municipal Vote/Capital project R thousand	Program/Project description	IDP Goal code 2	Asset Class 3	Asset Sub-Class 3	2016/17 Medium Term Revenue & Expenditure Framework			Project information	
					Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
14.4 - Water	Borehole Suiderstrand	D	Infrastructure - Water	Reticulation Water	500	–	–	Alg	N
14.4 - Water	Borehole No 1 - Bredasdorp	D	Infrastructure - Water	Dams & Reservoirs	–	500	–	Alg	N
14.4 - Water	1 ML Reservoir Agulhas	D	Infrastructure - Water	Dams & Reservoirs	–	2 000	–	Alg	N
14.4 - Water	Borehole Napier	D	Infrastructure - Water	Reticulation Water	1 000	–	–	Alg	N
14.4 - Water	Replacement of Water Pipeline - Viljoen	D	Infrastructure - Water	Reticulation Water	360	–	–	Alg	R
14.5 - Sewerage & Sanitation	Bredasdorp: Rehabilitate Waste Water Treatment Works	E	Infrastructure - Sanitation	Sewerage purification	877	–	–	Alg	R
14.5 - Sewerage & Sanitation	Napier: Waste Water Treatment Works	E	Infrastructure - Sanitation	Sewerage purification	–	1 090	2 000	Alg	N
14.6 - Solid Waste	New Cell at Bredasdorp Landfill	F	Infrastructure - Other	Waste Management	–	5 000	–	Alg	N
14.6 - Solid Waste	"Compactor" Storingsterrein	F	Other assets	Plant & equipment	–	–	4 000	Alg	N
14.3 - Streets & Stormwater	Bredasdorp RDP - Upgrade Roads	B	Infrastructure - Road transport	Roads, Pavements & Bridges	3 818	5 000	4 500	Alg	R
14.3 - Streets & Stormwater	Arniston RDP - Upgrade Roads	B	Infrastructure - Road transport	Roads, Pavements & Bridges	1 167	1 500	1 605	Alg	R
14.3 - Streets & Stormwater	Stormwater Master Plan Implementation	B	Infrastructure - Road transport	Roads, Pavements & Bridges	100	100	–	Alg	N
14.3 - Streets & Stormwater	Stormwater Master Plan Implementation	B	Infrastructure - Road transport	Roads, Pavements & Bridges	200	200	–	Alg	N
14.3 - Streets & Stormwater	Stormwater Master Plan Implementation	B	Infrastructure - Road transport	Roads, Pavements & Bridges	200	200	–	Alg	N
14.3 - Streets & Stormwater	Stormwater Master Plan Implementation	B	Infrastructure - Road transport	Roads, Pavements & Bridges	200	200	–	Alg	N
14.3 - Streets & Stormwater	Pavement Management System (PMS)	B	Infrastructure - Road transport	Roads, Pavements & Bridges	200	–	–	Alg	N
14.3 - Streets & Stormwater	CAM Stormwater Master Plan	B	Infrastructure - Road transport	Storm water	400	150	–	Alg	N
14.3 - Streets & Stormwater	Upgrade Road to Landfill Site Bredasdorp	B	Infrastructure - Road transport	Roads, Pavements & Bridges	–	100	–	Alg	R
14.3 - Streets & Stormwater	Upgrade Suiderstrand Road	B	Infrastructure - Road transport	Roads, Pavements & Bridges	1 000	400	–	Alg	R
14.3 - Streets & Stormwater	Regravel Tamatiekraal Street - Napier	B	Infrastructure - Road transport	Roads, Pavements & Bridges	–	200	–	Alg	R
14.3 - Streets & Stormwater	Reseal of Roads CAM	B	Infrastructure - Road transport	Roads, Pavements & Bridges	750	750	–	Alg	R
14.3 - Streets & Stormwater	Pedestrian Roller	B	Other assets	Plant & equipment	–	200	–	Alg	N
8.1 - Electricity	Change Transformers with minisubs	C	Infrastructure - Electricity	Transmission & Reticulation	350	350	350	Alg	R
8.1 - Electricity	Streetslights	C	Infrastructure - Electricity	Street Lighting	100	–	–	Alg	N
8.1 - Electricity	Nuwerus - Upgrade Street Lighting	C	Infrastructure - Electricity	Street Lighting	245	–	–	Alg	R
8.1 - Electricity	Struisbaai Main Road - Upgrade Street Lighting	C	Infrastructure - Electricity	Street Lighting	116	–	–	Alg	R
8.1 - Electricity	Bredasdorp - Upgrade Street Lighting	C	Infrastructure - Electricity	Street Lighting	319	–	–	Alg	R
8.1 - Electricity	Electrification of informal settlements	C	Infrastructure - Electricity	Transmission & Reticulation	100	100	100	Alg	N
8.1 - Electricity	Replace medium and low voltage overhead lines	C	Infrastructure - Electricity	Transmission & Reticulation	750	750	750	Alg	R
8.1 - Electricity	Small hand tools	C	Other assets	Plant & equipment	20	20	20	Alg	N
8.1 - Electricity	Electrical Infrastructure	C	Infrastructure - Electricity	Transmission & Reticulation	1 000	2 000	2 000	Alg	N
8.1 - Electricity	Transformer 8 Struisbay	C	Infrastructure - Electricity	Transmission & Reticulation	640	–	–	Alg	R
<b>Parent Capital expenditure</b>					<b>24 632</b>	<b>28 875</b>	<b>19 298</b>		

## 2.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft stage and attached as Appendix B to be finalised after approval of the 2016/17 MTREF at least 30 days before the start of the next financial year directly aligned and informed by the 2016/17 MTREF.
2. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
3. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.
4. Budget and Treasury Office  
The Budget and Treasury Office has been established and a Manager been appointed during September 2015 in accordance with the MFMA. The unit needs to be further capacitated in order to fulfill its legislative objective and to be fully effective to deliver in terms of its mandate accordingly.
5. Audit Committee  
An Audit Committee has been established and is fully functional.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training  
No MFMA training is currently underway. Skills Competency training is currently in progress at the municipality with only a few individuals in the final stages of the programme.
8. Policies  
Budget related policies will be reviewed and updated if so required for final submission with the approval of the 2016/17 MTREF & outer two years.

## 2.13 Other supporting documents

All other supporting schedules not specifically addressed in this document are included below.

**Table 40 MBRR SA1 - Supporting detail to 'Budgeted Financial Performance'**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>REVENUE ITEMS:</b>									
<b><u>Property rates</u></b>									
Total Property Rates	34 889	39 475	43 056	50 116	50 116	50 116	54 839	60 323	66 356
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>	126	150	161	160	217	217	168	168	168
<b>Net Property Rates</b>	<b>34 763</b>	<b>39 325</b>	<b>42 895</b>	<b>49 956</b>	<b>49 899</b>	<b>49 899</b>	<b>54 671</b>	<b>60 155</b>	<b>66 188</b>
<b><u>Service charges - electricity revenue</u></b>									
Total Service charges - electricity revenue	65 092	69 614	75 494	86 845	86 845	86 845	95 198	96 660	103 426
<b>Net Service charges - electricity revenue</b>	<b>65 092</b>	<b>69 614</b>	<b>75 494</b>	<b>86 845</b>	<b>86 845</b>	<b>86 845</b>	<b>95 198</b>	<b>96 660</b>	<b>103 426</b>
<b><u>Service charges - water revenue</u></b>									
Total Service charges - water revenue	16 175	16 950	20 380	21 638	21 638	21 638	23 693	25 115	26 622
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>	1 007	1 098	1 423	1 230	1 230	980	1 300	1 365	1 420
<b>Net Service charges - water revenue</b>	<b>15 168</b>	<b>15 853</b>	<b>18 957</b>	<b>20 408</b>	<b>20 408</b>	<b>20 658</b>	<b>22 393</b>	<b>23 750</b>	<b>25 202</b>
<b><u>Service charges - sanitation revenue</u></b>									
Total Service charges - sanitation revenue	6 336	7 534	8 935	9 523	9 523	9 523	10 428	11 054	11 717
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>	1 717	1 872	2 427	2 836	2 756	2 506	2 900	3 045	3 167
<b>Net Service charges - sanitation revenue</b>	<b>4 618</b>	<b>5 662</b>	<b>6 508</b>	<b>6 687</b>	<b>6 767</b>	<b>7 017</b>	<b>7 528</b>	<b>8 009</b>	<b>8 550</b>
<b><u>Service charges - refuse revenue</u></b>									
Total refuse removal revenue	9 534	10 495	12 915	15 031	15 031	15 031	17 106	17 747	18 493
Total landfill revenue									
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>	2 565	2 797	3 626	3 455	3 455	3 255	3 502	3 677	3 824
<b>Net Service charges - refuse revenue</b>	<b>6 969</b>	<b>7 698</b>	<b>9 290</b>	<b>11 576</b>	<b>11 576</b>	<b>11 776</b>	<b>13 604</b>	<b>14 070</b>	<b>14 669</b>
<b><u>Other Revenue by source</u></b>									
Other revenue	2 213	2 763	3 034	3 155	3 317	3 317	3 731	3 883	4 168
Public Contributions and Donations	67	1 291	–	–	–	–	–	–	–
LGSETA	321	774	621	700	700	700	750	788	819
Third Party Payments		25	155	–	165	165	–	–	–
<b>Total 'Other' Revenue</b>	<b>2 600</b>	<b>4 854</b>	<b>3 810</b>	<b>3 855</b>	<b>4 182</b>	<b>4 182</b>	<b>4 481</b>	<b>4 671</b>	<b>4 987</b>

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>EXPENDITURE ITEMS:</b>									
<b><u>Employee related costs</u></b>									
Basic Salaries and Wages	47 148	49 350	54 067	61 477	63 156	61 952	68 438	73 915	79 775
Pension and UIF Contributions	6 335	7 180	8 456	10 812	11 117	10 766	12 018	12 937	13 929
Medical Aid Contributions	2 113	2 432	2 739	2 771	2 580	2 823	3 499	3 513	3 529
Overtime	2 380	2 978	3 093	2 434	2 434	2 554	3 087	3 272	3 468
Performance Bonus	–	–	–	629	629	651	667	707	749
Motor Vehicle Allowance	3 861	4 280	4 509	4 588	4 587	4 576	5 092	5 125	5 161
Cellphone Allowance	–	–	–	237	249	255	392	390	392
Housing Allowances	384	386	428	542	1 275	1 299	1 187	1 187	1 187
Other benefits and allowances	2 215	2 308	2 616	2 861	3 304	3 545	3 836	3 423	3 540
Payments in lieu of leave	1 391	79	924	500	950	1 050	875	875	875
Long service awards	407	366	376	489	498	498	498	520	550
Post-retirement benefit obligations	1 220	1 396	1 682	3 270	2 074	2 074	2 259	2 500	2 750
<b>sub-total</b>	<b>67 455</b>	<b>70 755</b>	<b>78 889</b>	<b>90 608</b>	<b>92 851</b>	<b>92 042</b>	<b>101 847</b>	<b>108 365</b>	<b>115 904</b>
Less: Employees costs capitalised to PPE	–	–	–	–	–	–	–	–	–
<b>Total Employee related costs</b>	<b>67 455</b>	<b>70 755</b>	<b>78 889</b>	<b>90 608</b>	<b>92 851</b>	<b>92 042</b>	<b>101 847</b>	<b>108 365</b>	<b>115 904</b>
<b><u>Contributions recognised - capital</u></b>									
Public Contributions and Donations	–	–	–	–	659	659	–	–	–
<b>Total Contributions recognised - capital</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>659</b>	<b>659</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b><u>Depreciation &amp; asset impairment</u></b>									
Depreciation of Property, Plant & Equipment	7 175	8 240	9 280	8 289	9 769	9 769	9 638	9 638	9 638
Capital asset impairment	262	2 484	808	–	1 500	–	1 250	1 250	1 250
<b>Total Depreciation &amp; asset impairment</b>	<b>7 437</b>	<b>10 724</b>	<b>10 088</b>	<b>8 289</b>	<b>11 269</b>	<b>9 769</b>	<b>10 888</b>	<b>10 888</b>	<b>10 888</b>
<b><u>Bulk purchases</u></b>									
Electricity Bulk Purchases	48 523	53 635	57 192	71 502	71 502	69 502	74 851	78 408	82 956
Water Bulk Purchases	521	626	255	1 300	1 050	550	250	275	300
<b>Total bulk purchases</b>	<b>49 044</b>	<b>54 261</b>	<b>57 447</b>	<b>72 802</b>	<b>72 552</b>	<b>70 052</b>	<b>75 101</b>	<b>78 683</b>	<b>83 256</b>
<b><u>Transfers and grants</u></b>									
Cash transfers and grants	–	–	–	1 539	1 619	1 499	1 783	1 764	1 839
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
<b>Total transfers and grants</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 539</b>	<b>1 619</b>	<b>1 499</b>	<b>1 783</b>	<b>1 764</b>	<b>1 839</b>
<b><u>Contracted services</u></b>									
Payment Facilities	739	1 041	1 154	–	–	–	–	–	–
Cleaning Services	–	–	–	135	83	–	15	15	15
Cleaning & Grass Cutting Services	–	–	–	110	110	90	112	114	115
Audit Committee	–	–	–	110	125	85	134	141	147
Other	–	–	–	–	–	–	5	–	–
Professional Services	–	–	–	3 210	3 010	1 449	4 595	3 623	3 289
Property Valuation	–	–	–	504	504	280	1 555	506	507
Debt Collection Services	–	–	–	200	200	160	210	221	232
Legal fees	–	–	–	1 304	1 200	826	1 170	1 176	1 176
Refuse Removal	–	–	–	1 100	967	967	1 120	1 120	1 120
Roads and Stormwater	–	–	–	150	145	65	220	231	240
Security Services	–	–	–	779	779	649	841	885	931
Traffic Fine Management	–	–	–	800	800	500	800	800	800
Recycling Services	388	295	309	–	–	–	–	–	–
<b>Total contracted services</b>	<b>1 127</b>	<b>1 336</b>	<b>1 463</b>	<b>8 401</b>	<b>7 923</b>	<b>5 071</b>	<b>10 778</b>	<b>8 830</b>	<b>8 571</b>

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Other Expenditure By Type</b>									
Audit fees	1 680	2 597	2 406	2 780	2 980	2 980	3 150	3 245	3 342
General expenses	1 398	2 043	1 314	1 013	1 056	955	1 169	1 142	1 180
Repairs and Maintenance	11 960	9 921	11 242	10 911	12 365	11 491	15 714	15 849	17 073
Administration Fees	–	–	–	12	12	5	7	7	8
Actuarial Losses	2 022	2 774	1 920	–	–	–	–	–	–
Advertising	291	176	251	545	543	400	409	411	410
Advertising & Tourism	706	706	750	–	–	–	–	–	–
Audit Committee Allowances	69	61	63	–	–	–	–	–	–
Bank Charges	637	561	739	829	829	709	750	750	750
Books and Publications	–	–	–	57	54	51	57	59	62
Bursaries	–	–	–	190	202	162	200	206	211
Chemicals	1 061	1 124	1 204	1 220	1 220	1 160	1 340	1 407	1 477
Cleaning material	230	166	165	223	246	237	255	270	285
Cleaning projects	52	111	169	–	–	–	–	–	–
Cleaning services & washing	59	65	100	–	–	–	–	–	–
Commission Paid	–	–	–	1 003	1 003	1 000	1 048	1 048	1 048
Computer Services & License fees	1 256	1 642	2 290	–	–	–	–	–	–
Conferences & Seminars	–	–	–	134	128	103	180	180	180
Connections	–	–	–	308	308	288	273	245	255
Contributions - Pensioners Medical Aid and Pension	235	165	65	180	180	140	180	191	202
Donations	105	99	98	–	–	–	–	–	–
Entertainment costs	171	154	157	259	271	201	278	291	298
Free Basic Electricity	171	215	242	–	–	–	–	–	–
Fuel Cost	2 595	3 129	2 975	2 632	2 610	2 415	2 791	2 528	2 637
Holiday Programmes & Entertainment	320	376	363	–	–	–	–	–	–
Housing Development Fund	597	400	–	–	–	–	–	–	–
Housing Subsidy	34 208	13 285	21 066	–	–	–	–	–	–
Human Development	218	301	91	–	–	–	–	–	–
Insurance	420	372	544	680	640	590	703	705	708
Indigent Subsidies	335	313	377	252	332	332	334	351	366
Job Creation	294	1 000	–	–	–	–	–	–	–
Legal fees	1 351	1 768	1 702	–	–	–	–	–	–
License fees	29	10	4	45	45	13	43	45	47
License fees - Vehicles	101	115	120	146	146	131	168	177	184
Local Economic Development	118	50	27	–	–	–	–	–	–
Oil & Lubricants	53	41	46	68	70	72	77	81	84
Postage	468	522	545	662	652	593	649	650	652
Printing & Stationery	849	920	954	723	720	672	603	610	614
Professional & Consultancy fees	2 093	4 845	2 832	–	–	–	–	–	–
Protective Clothing	203	309	340	404	423	415	410	420	436
Public Communication	444	279	257	–	–	–	–	–	–
Recruiting Costs	146	228	136	70	70	20	70	70	70
Refuse Bags	396	375	466	401	401	441	491	516	536
Rental Paid	624	684	1 551	958	943	781	1 004	939	950
Security Services	520	676	615	255	205	195	205	210	215

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
Service Charges	597	540	693	591	591	591	418	322	336
Service connections - new	279	192	264	-	-	-	-	-	-
Social assistance	26	28	0	-	-	-	-	-	-
Socio-Economic Development	204	160	229	-	-	-	-	-	-
Structure - & Zoning planning	127	107	203	430	430	80	292	200	200
Subscriptions - Organisations	573	676	778	889	894	887	941	987	1 026
Subsistence & Travel Allowances	443	555	617	878	1 054	955	1 084	1 103	1 107
Telephone costs	1 349	1 404	1 399	1 138	1 371	1 263	1 279	1 333	1 334
Training & Development - Staff	355	2 169	1 392	1 540	1 491	1 091	1 450	1 450	1 450
Training Levy	548	607	634	553	582	667	633	682	736
Transfer costs	-	-	15	-	-	-	-	-	-
Union Representative	16	19	18	20	92	-	166	166	166
Valuation Costs	440	525	269	-	-	-	-	-	-
Ward Committees	508	554	573	370	370	320	728	390	390
Workmens Compensation Contributions	337	421	863	134	120	590	168	202	221
<b>Operating Grant Expenditure</b>	2	-	1 290	-	-	-	85	-	-
Operating Grant Expenditure - FMG	-	-	-	1 230	1 231	1 231	735	1 192	1 489
Operating Grant Expenditure - FMSG	-	-	-	-	307	307	120	240	360
Operating Grant Expenditure - EPWP	-	-	-	1 000	1 000	1 000	1 210	-	-
Operating Grant Expenditure - Housing	-	-	-	2 300	5 792	5 792	28 100	35 500	39 500
Operating Grant Expenditure - Thusong centre	-	-	-	12	12	8	-	-	-
Operating Grant Expenditure - CDW	-	-	-	54	44	44	56	56	56
Operating Grant Expenditure - Roads	-	-	-	73	73	73	73	-	-
Operating Grant Expenditure - Mig PMU	-	-	-	542	542	542	542	570	592
Operating Grant Expenditure - Ward Committees	-	-	-	150	150	150	-	-	-
<b>Special Projects</b>	-	-	-	4 758	4 776	4 061	5 638	5 579	5 779
Special Projects - Job Creation	-	-	2 394	-	-	-	-	-	-
Special Projects - Cleaning	-	-	393	-	-	-	-	-	-
Special Projects - Heuningberg	-	-	51	-	-	-	-	-	-
Special Projects - Toilets	-	-	346	-	-	-	-	-	-
<b>Total 'Other' Expenditure</b>	<b>74 290</b>	<b>60 532</b>	<b>70 606</b>	<b>43 623</b>	<b>49 579</b>	<b>46 206</b>	<b>76 276</b>	<b>82 573</b>	<b>89 022</b>
<b>Repairs and Maintenance by Expenditure Item</b>									
Employee related costs	-	-	-	-	-	-	11 553	11 514	12 145
Other Expenditure	11 960	9 921	11 242	10 911	12 365	11 491	15 714	15 849	17 073
<b>Total Repairs and Maintenance Expenditure</b>	<b>11 960</b>	<b>9 921</b>	<b>11 242</b>	<b>10 911</b>	<b>12 365</b>	<b>11 491</b>	<b>27 268</b>	<b>27 362</b>	<b>29 217</b>



**Table 41 MBRR SA2 - Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)**

Description	Vote 1 - Executive and Council	Vote 2 - Budget and Treasury Office	Vote 3 - Corporate Services	Vote 4 - Community and Social Services	Vote 8 - Electricity	Vote 14 - Infrastructure	Total
<b>R thousand</b>							
<b>Revenue By Source</b>							
Property rates	–	54 671	–	–	–	–	54 671
Service charges - electricity revenue	–	–	–	–	95 198	–	95 198
Service charges - water revenue	(1 300)	–	–	–	–	23 693	22 393
Service charges - sanitation revenue	(2 900)	–	–	–	–	10 428	7 528
Service charges - refuse revenue	(3 502)	–	–	–	–	17 106	13 604
Rental of facilities and equipment	–	–	1 600	6 064	–	–	7 664
Interest earned - external investments	–	1 900	–	–	–	–	1 900
Interest earned - outstanding debtors	–	876	–	–	–	–	876
Fines	–	–	11	8 527	–	–	8 538
Licences and permits	–	–	–	347	–	–	347
Agency services	–	–	–	1 374	–	–	1 374
Other revenue	–	631	1 662	666	920	602	4 481
Transfers recognised - operating	23 075	855	96	33 304	–	2 695	60 025
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>15 373</b>	<b>58 933</b>	<b>3 369</b>	<b>50 282</b>	<b>96 118</b>	<b>54 524</b>	<b>278 599</b>
<b>Expenditure By Type</b>							
Employee related costs	5 903	17 568	17 782	25 127	6 937	28 529	101 847
Remuneration of councillors	4 786	–	–	–	–	–	4 786
Debt impairment	–	950	–	4 190	543	1 717	7 400
Depreciation & asset impairment	–	2 605	–	–	1 351	6 932	10 888
Finance charges	–	4 272	75	281	–	3 900	8 527
Bulk purchases	–	–	–	–	74 851	250	75 101
Contracted services	1 777	3 320	593	1 131	–	3 957	10 778
Transfers and grants	1 783	–	–	–	–	–	1 783
Other expenditure	4 217	8 583	7 494	36 692	2 327	16 963	76 276
<b>Total Expenditure</b>	<b>18 465</b>	<b>37 298</b>	<b>25 944</b>	<b>67 421</b>	<b>86 009</b>	<b>62 248</b>	<b>297 385</b>
<b>Surplus/(Deficit)</b>	<b>(3 092)</b>	<b>21 635</b>	<b>(22 575)</b>	<b>(17 139)</b>	<b>10 109</b>	<b>(7 724)</b>	<b>(18 786)</b>
Transfers recognised - capital	–	740	–	1 455	1 000	8 736	11 931
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(3 092)</b>	<b>22 375</b>	<b>(22 575)</b>	<b>(15 683)</b>	<b>11 109</b>	<b>1 012</b>	<b>(6 855)</b>

**Table 42 MBRR SA3 - Supporting detail to 'Budgeted Financial Position'**

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Call investment deposits</b>									
Call deposits < 90 days	–	10 000	16 000	–	–	–	–	–	–
Other current investments > 90 days	–	–	–	–	2 400	–	–	–	–
<b>Total Call investment deposits</b>	<b>–</b>	<b>10 000</b>	<b>16 000</b>	<b>–</b>	<b>2 400</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Consumer debtors</b>									
Consumer debtors	22 959	27 854	27 090	37 955	32 408	32 408	38 278	44 427	51 037
Less: Provision for debt impairment	(8 230)	(10 211)	(9 136)	(17 045)	(12 445)	(12 445)	(15 655)	(18 865)	(22 075)
<b>Total Consumer debtors</b>	<b>14 729</b>	<b>17 643</b>	<b>17 953</b>	<b>20 909</b>	<b>19 963</b>	<b>19 963</b>	<b>22 623</b>	<b>25 561</b>	<b>28 962</b>
<b>Debt impairment provision</b>									
Balance at the beginning of the year	6 198	8 230	10 211	13 545	9 136	9 136	12 445	15 655	18 865
Contributions to the provision	2 327	2 630	3 568	3 500	3 308	3 308	3 210	3 210	3 210
Bad debts written off	(295)	(649)	(4 643)	–	–	–	–	–	–
<b>Balance at end of year</b>	<b>8 230</b>	<b>10 211</b>	<b>9 136</b>	<b>17 045</b>	<b>12 445</b>	<b>12 445</b>	<b>15 655</b>	<b>18 865</b>	<b>22 075</b>
<b>Property, plant and equipment (PPE)</b>									
PPE at cost/valuation (ex cl. finance leases)	317 005	349 902	370 818	378 456	393 280	393 280	417 764	446 639	465 937
Leases recognised as PPE	1 765	866	1 097	866	1 097	1 097	1 097	1 097	1 097
Less: Accumulated depreciation	56 821	62 421	70 240	77 090	78 640	78 640	86 695	94 749	102 804
<b>Total Property, plant and equipment (PPE)</b>	<b>261 948</b>	<b>288 347</b>	<b>301 674</b>	<b>302 231</b>	<b>315 736</b>	<b>315 736</b>	<b>332 166</b>	<b>352 986</b>	<b>364 229</b>
<b>LIABILITIES</b>									
<b>Current liabilities - Borrowing</b>									
Current portion of long-term liabilities	424	304	350	570	1 054	854	654	1 245	1 560
<b>Total Current liabilities - Borrowing</b>	<b>424</b>	<b>304</b>	<b>350</b>	<b>570</b>	<b>1 054</b>	<b>854</b>	<b>654</b>	<b>1 245</b>	<b>1 560</b>
<b>Trade and other payables</b>									
Trade and other creditors	6 170	7 214	10 540	6 817	10 646	10 646	13 274	13 924	14 805
Unspent conditional transfers	2 351	5 529	172	153	72	72	72	72	72
VAT	–	–	626	–	626	626	626	626	626
<b>Total Trade and other payables</b>	<b>8 521</b>	<b>12 743</b>	<b>11 339</b>	<b>6 970</b>	<b>11 345</b>	<b>11 345</b>	<b>13 973</b>	<b>14 622</b>	<b>15 503</b>
<b>Non current liabilities - Borrowing</b>									
Borrowing	560	399	214	2 344	4 434	2 234	5 857	14 307	17 827
Finance leases (including PPP asset element)	96	104	798	41	295	295	–	–	–
<b>Total Non current liabilities - Borrowing</b>	<b>656</b>	<b>504</b>	<b>1 012</b>	<b>2 385</b>	<b>4 729</b>	<b>2 529</b>	<b>5 857</b>	<b>14 307</b>	<b>17 827</b>
<b>Provisions - non-current</b>									
Retirement benefits	30 374	36 562	42 684	44 064	47 561	47 561	52 989	59 106	65 946
Refuse landfill site rehabilitation	21 237	21 325	58 094	25 318	64 378	61 378	62 155	66 196	70 498
<b>Total Provisions - non-current</b>	<b>51 611</b>	<b>57 888</b>	<b>100 778</b>	<b>69 382</b>	<b>111 939</b>	<b>108 939</b>	<b>115 145</b>	<b>125 302</b>	<b>136 444</b>
<b>CHANGES IN NET ASSETS</b>									
<b>Accumulated Surplus/(Deficit)</b>									
Accumulated Surplus/(Deficit) - opening balance	250 572	273 160	287 575	287 651	291 738	291 738	306 101	297 746	299 798
GRAP adjustments	7 191	–	–	–	–	–	–	–	–
Restated balance	257 763	273 160	287 575	287 651	291 738	291 738	306 101	297 746	299 798
Surplus/(Deficit)	11 897	11 665	6 163	(592)	(6 741)	5 113	(6 855)	(2 948)	1 072
Appropriations to Reserves	(6 442)	(14 565)	(7 448)	–	–	–	(1 500)	–	(4 000)
Transfers from Reserves	9 942	17 315	5 448	4 800	6 500	9 250	–	5 000	–
<b>Accumulated Surplus/(Deficit)</b>	<b>273 160</b>	<b>287 575</b>	<b>291 738</b>	<b>291 860</b>	<b>291 497</b>	<b>306 101</b>	<b>297 746</b>	<b>299 798</b>	<b>296 870</b>
<b>Reserves</b>									
Housing Development Fund	–	–	–	–	–	–	–	–	–
Capital replacement	16 500	15 750	17 750	–	11 250	8 500	10 000	5 000	9 000
Other reserves	2 000	–	–	–	–	–	–	–	–
<b>Total Reserves</b>	<b>18 500</b>	<b>15 750</b>	<b>17 750</b>	<b>–</b>	<b>11 250</b>	<b>8 500</b>	<b>10 000</b>	<b>5 000</b>	<b>9 000</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>291 660</b>	<b>303 325</b>	<b>309 488</b>	<b>291 860</b>	<b>302 747</b>	<b>314 601</b>	<b>307 746</b>	<b>304 798</b>	<b>305 870</b>

**Table 43 MBRR SA9 - Social, economic and demographic statistics and assumptions**

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>											
Population	Information provided by StatsSA	-	-	33	-	-	-	33	33	33	33
Females aged 5 - 14	Number of population (not %) as per census and based on % of population in gender group	-	-	2	-	-	-	2	2	2	2
Males aged 5 - 14	Number of population (not %) as per census and based on % of population in gender group	-	-	3	-	-	-	3	3	3	3
Females aged 15 - 34	Number of population (not %) as per census and based on % of population in gender group	-	-	5	-	-	-	5	5	5	5
Males aged 15 - 34	Number of population (not %) as per census and based on % of population in gender group	-	-	5	-	-	-	5	5	5	5
Unemployment	Broad definition of the 2011 census (economically active youth)	-	-	19,5%	-	-	-	19,5%	19,5%	19,5%	19,5%
<b>Monthly household income (no. of households)</b>											
No income	Statistics SA does not keep records in these groupings. We have taken the statistics provided by Stats SA and worked out an average household based on their groupings - R104,024 average household income	-	-	-	-	-	-	-	-	-	-
R1 - R1 600	We have taken the statistics provided by Stats SA and	-	-	-	-	-	-	3 109	3 109	3 109	3 109
R1 601 - R3 200	worked out an average household based on their groupings	-	-	R8,670 average income per household	-	-	-	353	353	353	353
R3 201 - R6 400	0	-	-	-	-	-	-	6 700	6 700	6 700	6 700
R6 401 - R12 800	0	-	-	-	-	-	-	-	-	-	-
R12 801 - R25 600	0	-	-	-	-	-	-	-	-	-	-
R25 601 - R51 200	0	-	-	-	-	-	-	-	-	-	-
R52 201 - R102 400	0	-	-	-	-	-	-	-	-	-	-
R102 401 - R204 800	0	-	-	-	-	-	-	-	-	-	-
R204 801 - R409 600	0	-	-	-	-	-	-	-	-	-	-
R409 601 - R819 200	0	-	-	-	-	-	-	-	-	-	-
> R819 200	0	-	-	-	-	-	-	-	-	-	-
0	0	-	-	-	-	-	-	-	-	-	-
<b>Poverty profiles (no. of households)</b>											
< R2 060 per household per month	The municipality does not keep records of this nature and StatsSA also does not have statistics for this amount. We have used the municipal amount of <R3 200 as poor	-	-	3 462	0.00	0.00	0.00	3462.00	3462.00	3462.00	3462.00
Insert description	Used amount of <R3 200 as poor as defined and used by the municipality	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Household/demographics (000)</b>											
Number of people in municipal area	0	-	-	33 301	-	-	-	33	33	33	33
Number of poor people in municipal area	Data not available. Calculation based on number of indigent households (statistics kept by municipality) multiplied by average household size as per StatsSA	-	-	13 156	-	-	-	13	13	13	13
Number of households in municipal area	Statistics SA 2011 census - excluding farm dwellings of 1164	-	-	10 162	-	-	-	10	10	10	10
Number of poor households in municipal area	Statistics as per the 2012/13 financial year	-	-	3 462	-	-	-	3	3	3	3
Definition of poor household (R per month)	Income of <R3 200	-	-	-	-	-	-	-	-	-	-
<b>Housing statistics</b>											
Formal	Stats SA 2011 census	-	-	8 658	-	-	-	8 658	8 658	8 658	8 658
Informal	Difference between total household less formal household as per StatsSA	-	-	1 504	-	-	-	1 504	1 504	1 504	1 504
Total number of households		-	-	10 162	-	-	-	10 162	10 162	10 162	10 162
Dwellings provided by municipality	Statistics of dwellings provided kept by the municipality	-	-	-	-	-	-	-	-	-	-
Dwellings provided by province/s	Statistics of dwellings provided kept by the municipality	-	-	668	-	-	-	668	668	668	668
Dwellings provided by private sector	Statistics of dwellings provided kept by the municipality	-	-	9 494	-	-	-	9 494	9 494	9 494	9 494
Total new housing dwellings		-	-	10 162	-	-	-	10 162	10 162	10 162	10 162
<b>Economic</b>											
Inflation/inflation outlook (CPIX)					5.6%	5.6%	5.6%	5.6%	4.8%	5.9%	5.6%
Interest rate - borrowing					9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%
Interest rate - investment					5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Remuneration increases					5.9%	5.9%	5.9%	5.9%	5.1%	6.2%	5.9%
Consumption growth (electricity)					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (water)					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Collection rates</b>											
Property tax/service charges					96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%
Rental of facilities & equipment					96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%
Revenue from agency services					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Table 44 MBRR SA11 - Property rates summary**

Refer to tariffs included in the annexure to this report

**Table 45 MBRR SA12a - Property rates by category (current year)**

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public benefit organs.
<b>Current Year 2015/16</b>							
<b>Valuation:</b>							
No. of properties	9 986	–	462	1 073	230	452	60
No. of sectional title property values	195						
No. of unreasonably difficult properties s7(2)	–						
No. of supplementary valuations	2						
Supplementary valuation (Rm)	–						
No. of valuation roll amendments	1 325						
No. of objections by rate-payers	2						
No. of appeals by rate-payers	–						
No. of appeals by rate-payers finalised	–						
No. of successful objections	–						
No. of successful objections > 10%	–						
Estimated no. of properties not valued	10						
Years since last valuation (select)	1						
Frequency of valuation (select)	4						
Method of valuation used (select)	Market						
Base of valuation (select)	Land & impr.						
Phasing-in properties s21 (number)	–						
Combination of rating types used? (Y/N)	Yes						
Flat rate used? (Y/N)	No						
Is balance rated by uniform rate/variable rate?	Variable						
<b>Valuation reductions:</b>							
Valuation reductions-public infrastructure (Rm)	–						
Valuation reductions-nature reserves/park (Rm)	–						
Valuation reductions-mineral rights (Rm)	–						
Valuation reductions-R15,000 threshold (Rm)	–						
Valuation reductions-public worship (Rm)	52						
Valuation reductions-other (Rm)	–						
<b>Total valuation reductions:</b>							
Total value used for rating (Rm)	10 420						
Total land value (Rm)	–						
Total value of improvements (Rm)	–						
Total market value (Rm)	10 420						
<b>Rating:</b>							
Average rate	0.005218						
Rate revenue budget (R '000)	42 942						
Rate revenue expected to collect (R'000)	41 353						
Expected cash collection rate (%)	96.3%						
Special rating areas (R'000)	–						
Rebates, exemptions - indigent (R'000)	–						
Rebates, exemptions - pensioners (R'000)	161						
Rebates, exemptions - bona fide farm. (R'000)	–						
Rebates, exemptions - other (R'000)	–						
Phase-in reductions/discounts (R'000)	–						
<b>Total rebates, exemptns, reductns, discs (R'000)</b>							

**Table 46 MBRR SA12b - Property rates by category (Budget year)**

Description	Resi.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public benefit organs.
<b>Budget Year 2016/17</b>						
<b>Valuation:</b>						
No. of properties	9 986	462	1 073	230	452	60
No. of sectional title property values	195					
No. of unreasonably difficult properties s7(2)	–					
No. of supplementary valuations	12					
Supplementary valuation (Rm)	–					
No. of valuation roll amendments	1 325					
No. of objections by rate-payers	2					
No. of appeals by rate-payers	–					
No. of appeals by rate-payers finalised	–					
No. of successful objections	–					
No. of successful objections > 10%	–					
Estimated no. of properties not valued	10					
Years since last valuation (select)	1					
Frequency of valuation (select)	4					
Method of valuation used (select)	Market					
Base of valuation (select)	Land & impr.					
Phasing-in properties s21 (number)	–					
Combination of rating types used? (Y/N)	Yes					
Flat rate used? (Y/N)	No					
Is balance rated by uniform rate/variable rate?	Variable					
<b>Valuation reductions:</b>						
Valuation reductions-public infrastructure (Rm)	–					
Valuation reductions-nature reserves/park (Rm)	–					
Valuation reductions-mineral rights (Rm)	–					
Valuation reductions-R15,000 threshold (Rm)	–					
Valuation reductions-public worship (Rm)	52					
Valuation reductions-other (Rm)	–					
<b>Total valuation reductions:</b>						
Total value used for rating (Rm)	10 539					
Total land value (Rm)	–					
Total value of improvements (Rm)	–					
Total market value (Rm)	10 539					
<b>Rating:</b>						
Average rate	–					
Rate revenue budget (R'000)	55 128					
Rate revenue expected to collect (R'000)	53 088					
Expected cash collection rate (%)	96.3%					
Special rating areas (R'000)	–					
Rebates, exemptions - indigent (R'000)	–					
Rebates, exemptions - pensioners (R'000)	160					
Rebates, exemptions - bona fide farm. (R'000)	–					
Rebates, exemptions - other (R'000)	–					
Phase-in reductions/discounts (R'000)	–					
<b>Total rebates,exemptns,eductns,discs (R'000)</b>						

**Table 47 MBRR SA13a - Service Tariffs by category**

Description	Provide description of tariff structure where appropriate	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
					Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Property rates (rate in the Rand)</u></b>							
	Residential & Agriculture	0.0048	0.0052	0.0060	0.0065	0.0072	0.0079
Residential properties	Residential						
Residential properties - v acant land	Residential & Other	0.0048	0.0052	0.0060	0.0065	0.0072	0.0079
Formal/informal settlements	-	-	-	-			
Small holdings	-	-	-	-			
Farm properties - used	Farming - Bona Fide	0.0012	0.0013	0.0015	0.0016	0.0018	0.0020
Farm properties - not used	Agriculture Other	0.0048	0.0052	0.0060	0.0016	0.0018	0.0020
Industrial properties	Industrial	0.0048	0.0052	0.0063	0.0068	0.0075	0.0083
	Business & Agriculture	0.0048	0.0052	0.0063	0.0068	0.0075	0.0083
Business and commercial properties	Business						
Communal land - other	-	-	-	-			
State-owned properties	-	0.0048	0.0052	0.0063	0.0068	0.0075	0.0083
Municipal properties	-	-	-	-			
	Public Benefit Organisations	0.0048	0.0052	0.0063	0.0065	0.0072	0.0079
Public service infrastructure							
<b><u>Exemptions, reductions and rebates (Rands)</u></b>							
<b><u>Residential properties</u></b>							
R15 000 threshold rebate		15 000	15 000	15 000	15 000	15 000	15 000
<b><u>Water tariffs</u></b>							
<b><u>Domestic</u></b>							
Basic charge/fix ed fee (Rands/month)	-	82	90	118	104	114	124
Service point - vacant land (Rands/month)	-	82	90	118	104	114	124
Water usage - flat rate tariff (c/kl)	-	-	-	-			
Water usage - life line tariff	(describe structure)	-	-	-			
Water usage - Block 1 (c/kl)	Huishoudelik (< 6kl.)	-	-	-			
Water usage - Block 2 (c/kl)	Huish.: 7 - 20	5	5	7	8	8	9
Water usage - Block 3 (c/kl)	21 - 40	5	5	7	8	9	9
Water usage - Block 4 (c/kl)	41 - 60	6	6	9	9	10	11
<b>Other</b>	bo 60	30	33	45	49	54	59
<b><u>Waste water tariffs</u></b>							
<b><u>Domestic</u></b>							
Basic charge/fix ed fee (Rands/month)	-	82	90	118	104	114	124
Service point - vacant land (Rands/month)	-	82	90	118	104	114	124
Waste water - flat rate tariff (c/kl)	-	-	-	-			
Volumetric charge - Block 1 (c/kl)	Besigh.: 0 - 50	5	5	7	8	8	9
Volumetric charge - Block 2 (c/kl)	51 - 100	5	5	7	8	9	9
Volumetric charge - Block 3 (c/kl)	101 - 150	5	5	8	8	9	10
Volumetric charge - Block 4 (c/kl)	151 - 200	5	6	8	9	10	10
<b>Other</b>	201 - 300	6	6	9	10	11	12
<b><u>Electricity tariffs</u></b>							
<b><u>Domestic</u></b>							
Basic charge/fix ed fee (Rands/month)	Single Phase	5	5	7	7	8	9
Service point - vacant land (Rands/month)	Three Phase	14	15	20	22	24	26
FBE	-	95	101	134	146	160	174
Life-line tariff - meter	(how is this targeted?)	-	-	-			
Life-line tariff - prepaid	(describe structure)	-	-	-			
Flat rate tariff - meter (c/kwh)	(describe structure)	-	-	-			
Flat rate tariff - prepaid(c/kwh)	-	-	-	-			
Meter - IBT Block 1 (c/kwh)	Tarif C	-	-	-			
Meter - IBT Block 2 (c/kwh)	kWh (< 50 kWh)	1	1	1	1	1	1
Meter - IBT Block 3 (c/kwh)	Bo 50 kWh tot 350 Kw h	1	1	1	1	1	1
Meter - IBT Block 4 (c/kwh)	Bo 350 kw h tot 600 kw h	1	1	2	2	2	2
Meter - IBT Block 5 (c/kwh)	Bo 650 Kw h	1	1	2	2	2	2
Prepaid - IBT Block 1 (c/kwh)	0.0-50.0 KWh	1	1	1	1	1	1
Prepaid - IBT Block 2 (c/kwh)	50.0-350.0 KWh	1	1	1	1	1	1
Prepaid - IBT Block 3 (c/kwh)	350.0-600.0 KWh	1	1	2	2	2	2
Prepaid - IBT Block 4 (c/kwh)	above 600.0 KWh	1	1	2	2	2	2
Prepaid - IBT Block 5 (c/kwh)	-	-	-	-			
<b>Other</b>	-	-	-	-			

**Table 48 MBRR SA13b - Service Tariffs by category – explanatory**

Description	Provide description of tariff structure where appropriate	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
				Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Exemptions, reductions and rebates (Rands)</u></b>						
<i>First R15,000 on Property Valuation</i>	No Charge to all residents	0.0052	0.0075	0.0065	0.0072	0.0079
<i>Property Rates Rebate to Pensioners:</i>	-	-	0.0075	0.0065	0.0072	0.0079
<i>Pensioner Younger than 75 years</i>	-	-	0.0075	0.0065	0.0072	0.0079
<i>Income: R 0 to R16,920 p.a</i>	40% Rebate	0.0052	0.0075	0.0065	0.0072	0.0079
<i>Income: R16,921 to R 25,380 p.a</i>	30% Rebate	0.0052	0.0075	0.0065	0.0072	0.0079
<i>Income: R25,381 to R 33,840 p.a</i>	20% Rebate	0.0052	0.0075	0.0065	0.0072	0.0079
<i>Pensioner Older than 75 years</i>	-	-	0.0075	0.0065	0.0072	0.0079
<i>Income: R 0 to R17,160 p.a</i>	40% Rebate	0.0052	0.0075	0.0065	0.0072	0.0079
<b><u>Water tariffs</u></b>						
<i>Form 0 to 6 Kl</i>	No Charge to all residents	5.1500	6.9788	6.9788	6.9788	6.9788
<b><u>Waste water tariffs</u></b>						
<i>Residential Refuse Removal Basic Charge</i>	40% & 80% subject council's approved indigent / commiseration policy	93.6400	129.2912	140.9274	153.6108	167.4358
<i>Residential Sewer Basic Charge</i>	40% & 80% subject council's approved indigent / commiseration policy	85.1400	118.1064	128.7359	140.3222	152.9512
<b><u>Electricity tariffs</u></b>						
<i>From 0 to 50 kWh</i>	No charge subject to registration as an Indigent	0.7416	1.0043	1.0043	1.0043	1.0043

**Table 49 MBRR SA15 - Investment particulars by type**

Investment type	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>									
<b>Parent municipality</b>									
Deposits - Bank	-	10 000	16 000	-	2 400	-	-	-	-
Municipal Entity	135	45	-	45	-	-	-	-	-
<b>Municipality sub-total</b>	<b>135</b>	<b>10 045</b>	<b>16 000</b>	<b>45</b>	<b>2 400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>	<b>135</b>	<b>10 045</b>	<b>16 000</b>	<b>45</b>	<b>2 400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 50 MBRR SA16 - Investment particulars by maturity**

As indicated above, the municipality does not anticipate to have any investments at any year-end, as all cash balances are budgeted for at year-end as part of the current account.



**Table 51 MBRR SA17 – Borrowing**

Borrowing - Categorised by type R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	560	399	214	2 344	4 434	2 234	5 857	14 307	17 827
Financial Leases	96	104	798	41	295	295	–	–	–
<b>Municipality sub-total</b>	<b>656</b>	<b>504</b>	<b>1 012</b>	<b>2 385</b>	<b>4 729</b>	<b>2 529</b>	<b>5 857</b>	<b>14 307</b>	<b>17 827</b>
<b>Total Borrowing</b>	<b>656</b>	<b>504</b>	<b>1 012</b>	<b>2 385</b>	<b>4 729</b>	<b>2 529</b>	<b>5 857</b>	<b>14 307</b>	<b>17 827</b>

<b>Unspent Borrowing - Categorised by type</b>									
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	–	–	–	–	2 400	–	–	–	–
<b>Municipality sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2 400</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Unspent Borrowing</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2 400</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## 2.14 Manager's quality certificate

I ....., Municipal Manager of Cape Agulhas Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

**Print Name:** \_\_\_\_\_

***Municipal Manager of Cape Agulhas Municipality***

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## **Part 3 – Appendices**

### **3.1 Appendix A – Tariff Listing**

Attached.

### **3.2 Appendix B – Draft SDBIP**

Attached.

### **3.3 Appendix C – mSCOA Implementation Plan**

Attached.

### **3.4 Appendix D– Service Level Standards**

Attached.